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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1962

No. 74

SOUTHERN RAILWAY COMPANY, APPELLANT,

NORTH CAROLINA, ET AL.

No. 93

UNITED STATES, ET AL., APPELLANTS,

52.

NORTH CAROLINA, ET AL.

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF NORTH CAROLINA

NO. 74 FILED FEBRUARY 12, 1963

NO. 93 FILED MARCH 18, 1963

PROBABLE JURISDICTION NOTED MAY 18, 1963

SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1963

No. 74

SOUTHERN RAILWAY COMPANY, APPELLANT,
vs.
NORTH CAROLINA, ET AL.

No. 93

UNITED STATES, ET AL., APPELLANTS,
vs.
NORTH CAROLINA, ET AL.

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF NORTH CAROLINA

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RECORD PRESS, PRINTERS, NEW YORK, N. Y., AUGUST 22, 1963

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**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

Civil Action File No. C-158-D-62

STATE OF NORTH CAROLINA; DUKE UNIVERSITY; THE DURHAM CHAMBER OF COMMERCE, INCORPORATED; RESEARCH TRIANGLE INSTITUTE; ERWIN MILLS, INC.; and MARY TRENT SEMANS, Plaintiffs,

v.

UNITED STATES OF AMERICA; INTERSTATE COMMERCE COMMISSION; and SOUTHERN RAILWAY COMPANY, Defendants.

COMPLAINT (as Amended)—Filed August 28, 1962

Plaintiffs, complaining of defendants, allege and say:

1.

Plaintiff, State of North Carolina, is one of the several sovereign states, interested in its citizens, users of the Southern Railroad, and interested in transportation generally which serves the State of North Carolina and interested particularly in the specific trains involved herein. Plaintiff, Duke University, is an educational institution located in the City of Durham, North Carolina; said plaintiff also owns and operates a large, general hospital, and some of said plaintiff's trustees, faculty members, students, doctors and hospital patients use the services of the Southern Railway Company and, in particular, the trains involved herein. Plaintiff, The Durham Chamber of Commerce, Incorporated, is a North Carolina corporation with its office located in the City of Durham, and, as Durham's Chamber of Commerce, is primarily dedicated to the welfare of the people of the County and City of Durham, many of whom use the services of the Southern Railway Company and the trains involved herein particularly. Plaintiff, Research Triangle Institute, is a North Carolina corporation created for the purpose of promoting research in the

Durham-Raleigh-Chapel Hill area, and its operations require the services of the Southern Railway Company and, in particular, the trains involved herein. Plaintiff, Erwin Mills, Inc., is a North Carolina corporation with offices [fol. 2] and manufacturing plants in the City of Durham and elsewhere and whose officers, directors, and employees use the services of the Southern Railway Company and, in particular, the trains involved herein. Plaintiff, Mary Trent Semans, is a citizen and resident of Durham County who, with her family, use the services of Southern Railway Company and the trains involved herein, in particular.

2.

Defendant, Southern Railway Company, is a corporation chartered under the laws of the Commonwealth of Virginia and is a common carrier of freight and passengers in interstate commerce and also in intrastate commerce between points within the State of North Carolina, and in particular is the operator of two passenger trains between Greensboro and Goldsboro, North Carolina, known as Passenger Trains Nos. 13 and 16, relative to which this action is brought, affording the only rail passenger service between these two points.

3.

On July 8, 1959, defendant, Southern Railway Company (sometimes hereinafter referred to as "Southern" or "Railroad") filed its petition with the North Carolina Utilities Commission for an order permitting it permanently to discontinue Passenger Trains Nos. 13 and 16; that said passenger trains afford the only passenger service between these two points. From the State Utilities Commission's denial of its Petition, Southern appealed to the Wake County, North Carolina, Superior Court which affirmed and sustained the State Utilities Commission's order denying Southern's Petition. Southern then appealed to the North Carolina Supreme Court which affirmed the Superior Court and the State Utilities Commission, in a unanimous decision rendered on the 3rd day of February, 1961. *State of North Carolina, ex rel. Utilities Commission, et al. v.*

Southern Railway Company, 254 N. C. 73, 118 S. E. 2d 21 (1961). No appeal was taken by Southern from this decision. Thereafter, on April 6, 1961, Southern filed a Petition [fol. 3] with the Interstate Commerce Commission (Finance Docket No. 21563) again seeking authority to discontinue the operation of Passenger Trains Nos. 13 and 16 pursuant to the provisions of Section 13a (2) of the Interstate Commerce Act (49 U.S.C.A. §13a (2)). After hearing before Examiner William J. Gibbons, said Examiner filed his report, recommending the issuance of an order allowing Southern's Petition. Exceptions to said report and recommended order were duly filed by all of the plaintiffs herein, and on July 2, 1962, Division 3 of the Interstate Commerce Commission issued an order adopting the rulings, findings and conclusions of the Examiner and authorizing, effective July 22, 1962, the discontinuance of said passenger trains. A true and correct copy of said final order is attached hereto and marked Exhibit "A". "That by Order bearing service date of July 20, 1962, the Interstate Commerce Commission postponed the effective date of the aforesaid Order, (Exhibit 'A'), pending the determination of the Petition requesting a determination of the presence of an issue of general transportation importance, a copy of said Order, identified as Exhibit 'B', being attached hereto and made a part hereof." Thereafter, on July 16, 1962, these plaintiffs, in contemplation of filing a Petition for reconsideration by the full Interstate Commerce Commission of said Division's order, filed a Petition requesting the Interstate Commerce Commission to determine that this case involved an issue of general transportation importance. This petition was denied by order of the Interstate Commerce Commission of August 8, 1962, the effective date of which was determined by the Commission to be August 23, 1962. A true and correct copy of said order is attached hereto and marked as Exhibit "B-1".

4.

This action is brought to annul, set aside and enjoin the operation and enforcement of said order of Division 3 of the Interstate Commerce Commission which has the effect of a final order of the Interstate Commerce Commission under the general rules of practice of said Commission.

[fol. 4] Southern Railway Trains Nos. 13 and 16 provide the last remaining rail passenger service between Greensboro and Goldsboro, North Carolina. They are operated over track and right-of-way leased to the Southern Railway Company by the North Carolina Railroad Company, a corporation, the majority of the stock of which is owned by the State of North Carolina, and a discontinuance by Southern Railway Company of the operation of these trains would constitute a breach of the lease agreement under which Southern is utilizing the track and right-of-way upon which these trains operate.

6.

Southern Railway Company is not a financially depressed railroad; to the contrary, it is financially sound, and its total, over-all operation, which includes the operation of Passenger Trains 13 and 16, produces a substantial and reasonable profit; that the elimination of said passenger trains will leave no rail passenger service of any kind between the cities of Greensboro and Goldsboro and the intervening cities and portion of the Piedmont section of North Carolina, including the cities of Burlington, Graham, Durham, Raleigh, Smithfield, and others; further, said discontinuance will leave the cities of Durham, Burlington, Graham, and surrounding areas totally and completely without any rail passenger service; Southern does not propose to discontinue its lucrative freight business through this important section of the State; it does not propose to abandon its total operations between Greensboro and Goldsboro, it simply proposes to abandon completely its rail passenger service constituting that portion of its operation which it deems to be unprofitable. Furthermore, it has for years discouraged the use of said passenger trains so as to make their operations less attractive to passengers and less profitable.

7.

That plaintiffs reasonably fear that, unless restrained, the defendant, Southern Railway Company, before notice can be issued and the hearing had, will cause immediate

and irreparable injury, loss and damage to these plaintiffs and to the members of the public generally which these [fol. 5] plaintiffs represent by discontinuing the operation of said passenger trains without further notice. Furthermore, unless the aforesaid order of the Interstate Commerce Commission be vacated and set aside and an injunction be issued restraining Southern from discontinuing the operation of said passenger trains, immediate and irreparable injury, loss and damage will occur to these plaintiffs and to the communities served by said passenger trains generally before notice can be issued and hearing had. In this connection, plaintiffs would show that the continued, uninterrupted operation of said passenger trains is necessary in the following particulars, among others, to wit:

- (a) For the satisfactory performance, by military and governmental personnel, of their missions for the U. S. Army at the Office of Ordnance Research located at Duke University, Durham, North Carolina;
- (b) In providing transportation for trustees, faculty members, students and other personnel connected with the schools and universities located in the area served by said passenger trains;
- (c) In providing as a matter of medical necessity, transportation of patients from their homes to Duke Hospital, the physical condition of many of said patients being such that transportation by other means is impossible;
- (d) In carrying on, and in assisting the growth and development of vital scientific and engineering research services to foundations, corporations, and governmental agencies, by the various medical centers, The Research Triangle Institute, The Nuclear Research Center, The Computer Center, The University of North Carolina, and the many other research and study facilities in said area;
- (e) In attracting to the area served by said passenger trains industrial development and in holding on to the many industries already established there, said industry being vital to the economy of North Carolina and to the welfare of her citizens.

[fol. 6] (f) To serve generally a large portion of the population of North Carolina residing in the area served by said passenger trains;

(g) And in other particulars not specifically enumerated herein.

That, pursuant to the charter issued by the State of North Carolina to the North Carolina Railroad Company, a lease agreement was entered into on the 16th day of August, 1895, between said North Carolina Railroad Company and Southern Railway Company, defendant herein; that a copy of said lease agreement, identified as Exhibit "C", is attached hereto and, by reference, made a part hereof; that, viewed in its entirety and from its four corners, and in the light of the circumstances existing and surrounding the parties at the time of its execution, said lease agreement imposes upon defendant, Railroad, the obligation to continue the operation of the passenger trains involved in this action; that, further, any discontinuance of said trains would constitute a breach of the provisions of said lease agreement by the Railroad.

That the order of the Interstate Commerce Commission purporting to authorize Southern Railway Company to discontinue the operation of its Passenger Trains Nos. 13 and 16 between Greensboro and Goldsboro, North Carolina, is void and unenforceable for further reasons, among others, in that:

(a) Section 13a (2) of the Interstate Commerce Act (49 U.S.C.A. §13a (2)), under which the Interstate Commerce Commission purported to allow Southern's petition, is unconstitutional on its face and in its application to the facts involved herein in that it violates, among other articles, Article I, Sections 8 and 9, of the United States Constitution, in that it is an attempt by the Congress to confer upon said Interstate Commerce Commission jurisdiction over intrastate commerce, whereas the United States Con-

[fol. 7] stitution confers upon Congress the power only to regulate commerce among the several states (interstate commerce), and the aforesaid statute purports to confer upon Congress the power to delegate jurisdiction to the Interstate Commerce Commission to regulate intrastate commerce. To permit its application in this proceeding would deprive plaintiffs of their property without due process of law and would impair and be detrimental to the public welfare of the plaintiffs and of the general public in the area served by said passenger trains.

(b) There is no substantial evidence justifying the discontinuance of said passenger trains, and the evidence is completely without contradiction that Southern's over-all operation, including the passenger trains in question, results in a reasonable profit;

(c) The findings of fact by and the conclusions of the Examiner, later sustained and adopted by the Commission, were arbitrary and capricious and are unsupported by competent and substantial evidence;

(d) The adoption of the report of the Examiner by Division 3 of the Commission constitutes an abuse of discretion on the part of the Commission;

(e) The recommended report of said Examiner, and the adoption thereof by said Division 3, is not founded upon adequate evidentiary findings generally, and, in particular, relative to the alleged loss which Southern contends was incurred in the operation of said passenger trains;

(f) Prior to the institution of this proceeding before the Interstate Commerce Commission, the issue of public convenience and necessity for the continued operation of these trains had been determined by a court of competent jurisdiction, to wit, the North Carolina Supreme Court, *State of North Carolina ex rel. Utilities Commission, et al. v. Southern Railway Company*, 254 N. C. 73, 118 S. E. 2d 21 (1961); such determination by the Supreme Court, as of the time it was made, is conclusive and binding on all parties in the present proceeding and is, therefore, *res adjudicata*. Therefore, the only question properly to have been adjudicated by the Interstate Commerce Commis-

sion was whether or not there had been changes of condition since the prior adjudication such as to warrant a finding that public convenience and necessity at that (later) time no longer required the operation of said passenger trains, and there was no allegation or proof of any such adverse change of conditions;

(g) The aforesaid order of the Interstate Commerce Commission is arbitrary and unreasonable and contrary to the overwhelming and undisputed evidence showing an urgent necessity for the continued operation of said rail passenger service for the convenience and necessity of the public generally and, in particular, those persons residing in the area served by said trains;

(h) The Southern Railway Company is bound and obligated by contract to maintain and operate said passenger trains, and the Interstate Commerce Commission had no power or authority under the Constitution or laws of the United States to abrogate, interfere with, or otherwise limit the railroad's contractual liability or obligation to provide said service, and the aforesaid order of the Interstate Commerce Commission (Exhibit "A" attached hereto), as well as all previous orders issued in that Commission's Finance Docket No. 21563, is null and void and in violation of plaintiffs' rights under the laws and the Constitution of North Carolina and the United States Constitution;

(i) The aforesaid order of the Interstate Commerce Commission deprives plaintiffs of "equal protection under the law" in violation of the Constitution of the United States;

(j) Said Interstate Commerce Commission order "abridges the privileges and immunities of citizens of the United States" including these plaintiffs, in violation of the United States Constitution;

[fol. 9] (k) The rights of plaintiffs to have the operation of said passenger trains continued and adequate passenger service rendered by the railroad of property rights, and the aforesaid order of the Interstate Commerce Commission has the effect of taking and will destroy said plaintiffs' property rights without compensation, all in violation

of the Constitutions of the State of North Carolina and the United States;

(l) Said order of the Interstate Commerce Commission "impairs the contractual obligation" of the railroad to provide the aforesaid rail passenger service and is, therefore, in violation of the Constitutions of the State of North Carolina and the United States.

10.

This action is brought under authority of and in conformity with the statutes of the United States and more particularly 28 U.S.C.A. § 2284, 28 U.S.C.A. § 1336, 28 U.S.C.A. 2321, 28 U.S.C.A. 2325, and 49 U.S.C.A. § 17 (9).

Wherefore, plaintiffs pray:

- (a) That process be issued against the defendants herein.
- (b) That a statutory court be convened as required by law in cases of this nature.
- (c) That a final order and judgment be issued by the court annuling, vacating, and setting aside the July 2, 1962, order of the Interstate Commerce Commission in its Finance Docket No. 21563.
- (d) That a final order and judgment be made and entered by the court, permanently restraining and enjoining the defendant, Southern Railway Company, from discontinuing the operation of its Passenger Trains Nos. 18 and 16 between Greensboro and Goldsboro, North Carolina.
- [fol. 10] (e) For such other and further relief as the court may deem just and proper.

Thomas Wade Bruton, Attorney General of North Carolina;

Charles W. Barbee, Jr., Assistant Attorney General of North Carolina;

Attorneys for State of North Carolina.

E. C. Bryson, 310 Law School Building, Duke University, Durham, N. C., Attorney for Duke University;

Victor S. Bryant, Jr., Bryant, Lipton, Bryant & Battle,
111 Corcoran Street, Durham, N. C., Attorneys for The
Durham Chamber of Commerce, Incorporated and The Re-
search Triangle Institute;

A. H. Graham, Jr., Newsom, Graham, Strayhorn & Hed-
rick, 111 Corcoran Street, Durham, N. C., Attorney for
Erwin Mills, Inc.;

E. C. Brooks, Jr., Brooks & Brooks, Trust Building, Dur-
ham, N. C., Attorney for Mary Trent Semans;

Attorneys for Plaintiffs.

[fol. 11]

EXHIBIT "A" TO COMPLAINT

INTERSTATE COMMERCE COMMISSION

Finance Docket No. 21563

SERVICE DATE
JULY 2, 1962

**SOUTHERN RAILWAY COMPANY DISCONTINU-
ANCE OF SERVICE BETWEEN GREENSBORO
AND GOLDSBORO, N. C.**

Decided June 27, 1962

Order issued granting petition of Southern Railway Com-
pany to discontinue the operation of trains 13 and 16
between Greensboro and Goldsboro, N. C.

Arthur J. Dixon and Earl E. Eisenhart for Southern
Railway Company.

F. Kent Burns for State of North Carolina and North
Carolina Utilities Commission.

Robert B. Holton, W. J. Burton, Jr., and R. L. Carnes
for railway labor organizations, protestants.

Claude V. Jones, Victor S. Bryant, E. C. Bryson, E. C.
Brooks, Jr., A. H. Graham, Jr., and Francis E. Walker
for other protestants.

**REPORT OF THE COMMISSION
DIVISION 3, COMMISSIONERS TUGGLE,
HUTCHINSON AND GOFF**

GOFF, COMMISSIONER:

Exceptions to the report of the hearing examiner recommending the granting of the petition have been filed jointly by the State of North Carolina, the North Carolina Utilities Commission, Duke University, Mrs. Mary Trent Seaman, Research Triangle Institute, and Erwin Mills, Inc., all interveners in opposition. Petitioner, Southern Railway Company has replied thereto. Oral argument requested by the interveners was denied by order of the Commission, Commissioner Tuggle dated February 12, 1962, served February 16, 1962.

By petition filed April 6, 1961, the Southern Railway Company, herein called petitioner or the carrier, a common carrier by railroad subject to Part I of the Interstate Commerce Act, requests authority under section 13a(2) of the act to discontinue the operation of its passenger trains Nos. 13 and 16 between Greensboro and Goldsboro, N. C. A hearing was held in Raleigh, N. C., of which the Governor of the State of North Carolina and the North Carolina Utilities Commission had notice. Briefs were filed and a report and recommended order by the hearing examiner was served on October 27, 1961. We are in accord with the examiner's findings of facts and ultimate conclusions thereon which we hereby adopt as our own and will not restate herein except to the extent necessary for clarity of discussion. However, we believe that we should set forth our views on certain of the issues presented.

Prior to the filing of the petition with this Commission, the carrier on July 8, 1959, filed an application with the North Carolina Utilities Commission for authority to discontinue the operation of the same trains in question here. After hearing, the North Carolina Commission concluded that there was insufficient competent evidence in the record upon which to base a finding that public convenience and necessity for the continuance of the trains no longer exists and thereupon issued its order of January 20, 1960, deny-

[fol. 12] ing the application. On appeal, a judgment of the Superior Court of Wake County, N. C., sustaining the order of the North Carolina Utilities Commission, was affirmed by the North Carolina Supreme Court on February 3, 1961. *State of North Carolina, ex rel. Utilities Commission et al. v. Southern Railway Company*, 254 N. C. 73.

With this history of adjudication of the State proceeding in support of their argument, interveners at the hearing on the petition before us moved for dismissal asserting that the action is *res judicata*. The examiner has recommended that the motion be overruled and interveners on exceptions, contend error, reasoning that the issue of public convenience and necessity had been clearly litigated between the parties in the prior proceeding and was finally determined by a court of competent jurisdiction when the Supreme Court of North Carolina issued its decision on February 3, 1961, affirming the findings of the Superior Court.

We certainly do not question either the competency or jurisdiction of the North Carolina Utilities Commission or the Supreme Court of that State in the prior proceeding and respect their decision in that matter. We also recognize the finality of the Court's decision on questions within its judicial sphere. However, the issue before us on petition by Southern is whether public convenience and necessity permits the discontinuance of operation of the trains in interstate commerce, a question arising under a Federal Statute (section 13a(2) of the Interstate Commerce Act). Proceedings of this nature are not dissimilar to abandonment proceedings presented before us. Of the latter cases, Justice Brandeis, speaking for the United States Supreme Court in *State of Colorado v. United States*, 271 U.S. 153, 165-166 said:

Because the same instrumentality serves both, Congress has power to assume not only some control but paramount control insofar as interstate commerce is involved. It may determine to what extent and in what manner intrastate service must be subordinated in order that interstate service may be adequately rendered. The power to make the determination inheres

in the United States as an incident of its power over interstate commerce. The making of this determination involves an exercise of judgment of the particular case. The authority to find the facts and to exercise thereon the judgment whether abandonment is consistent with public convenience and necessity, Congress conferred upon the Commission.

It follows that the question of public convenience and necessity as it affects interstate commerce and which is presently before us was not determined in the prior State proceeding and the doctrine of *res judicata* obviously is not applicable to the newly created legal situation. Accordingly, the motion is denied.

Interveners allege further error by the examiner in recommending that 2 other motions to dismiss the petition be overruled, namely (1) that section 13a(2) of the Act is unconstitutional on its face and in its application; and (2) that petitioner failed to meet the applicable regulations regarding proper notice to the public.

[fol. 13] As the examiner has pointed out, it is well established that an administrative agency is without power to pass upon the constitutionality of a federal statute which it is called upon the administer. See *Engineers Public Service Co. v. SEC*, 78 U. S. App.-D.C. 199, 138 F. 2d 936, 952-953, dismissed as moot 332, U. S. 788; *Paintz v. District of Columbia*, 72 App. D. C. 131, 112 F. 2d, 39; *Todd v. SEC*, 137 F. 2d 475, 478. (6th Cir.); *Central Nebraska Public Power & Irr. Dist. v. FPC*, 160 F. 2d 782 (8th Cir.), certiorari denied 332 U. S. 765; and *Public Utilities Commission v. United States*, 355 U. S. 534, 539. But, interveners argue, petitioner's net income from freight traffic over the line is such that overall profitable operations result therefrom. It is their contention therefore, that the operation between Greensboro and Goldsboro cannot be held to be a burden upon interstate commerce. Their conclusion is that any application of section 13a(2) to a situation where an overall profitable operation is held to be a burden on interstate commerce results in an unconstitutional application of the provisions of the statute. In short, interveners allege that petitioner's net income from its freight oper-

ations over the line must be given effect when considering whether the continued operation of its passenger trains Nos. 13 and 16 will constitute a burden on interstate commerce. We think that such premise is contrary to the intent of Congress under the statute here involved. By analogy, interveners' view would require a determination that overall losses have resulted on traffic handled over the line. In that instance, however, petitioner could obtain adequate relief under the abandonment provisions of section 1(18) of the Act. Section 13a(2) specifically empowers the Commission to authorize the discontinuance of trains upon finding that (a) the present and future public convenience and necessity permit of such discontinuance or change in whole or in part of the operation or service of *such train or ferry*, and (b) the continued operation or service of *such train or ferry* without discontinuance or change, in whole or part, will constitute an unjust and undue burden upon the interstate operations of such carrier or carriers or upon interstate commerce. (italics supplied).

The legislative history of section 13a(2) indicates that the purpose thereof is to permit the discontinuance of the operation of services that "no longer pay their way and for which there is no longer any public need to justify the heavy financial losses involved." (S. Rep. 1647, 85th Cong.). (Emphasis supplied). In considering a somewhat similar contention, in *Southern Pacific Co.—Partial Discontinuance of Passenger Trains, Los Angeles, etc.*, 312 I.C.C. 631, we stated:

"Nowhere in section 13a(2) or elsewhere in the law is there any requirement that the prosperity of the intra-state operations of the carrier as a whole, or any particular segment thereof, must be given effect in determining whether the operation of an individual intra-state train imposes an unjust and undue burden on interstate commerce. To hold otherwise would be contrary to the apparent intent of the Congress."

Nothing has been submitted herein to warrant a change in this view.

Nor can we agree with interveners that the petition in this proceeding should be dismissed for petitioner's failure

to observe the rule included in our order of November 12, 1959, requiring the posting of notice of the proposed discontinuance in each station, depot or other facility involved. [fol. 14] While the statute clearly requires such posting of notice in proceedings instituted under section 13a(1), the statute is equally clear in not providing for such requirement under paragraph 2:

“When any petition shall be filed with the Commission under the provisions of this paragraph the Commission shall notify the Governor of the State in which such train or ferry is operated at least 30 days in advance of the hearing provided for in this paragraph, and such hearing shall be held by the Commission in the State in which such train or ferry is operated; . . .”

It is further apparent that the inclusion of the requirement regarding the posting of notice in our order of November 12, 1959, and the resultant conflict between that order and section 13a(2) was caused by an obvious error in not amending section 43.6 to conform to the relettering of section 43.5 in our order¹ of the above date. Since petitioner complied with the rules and regulations promulgated by our order of August 14, 1958, and since there was no intent that our subsequent amending order of November 12, 1959, impose an additional requirement regarding notice upon petitioners in proceedings under section 13a(2), and since no specific evidence has been introduced to show that the position of any of the parties has been prejudiced or materially affected by our error, the motion of interveners is denied.

Interveners' exceptions include other assignments of error to the examiner (1) in computing the revenues and expenses of operation of the trains involved, (2) in failing to give sufficient weight to the overall prosperity of the petitioner when considering whether continuance of the operation would constitute an undue burden on interstate

¹ This oversight was corrected by the issuance of the Commission's order of November 28, 1961 (Ex Parte No. 217) in which section 43.6 was amended to eliminate reference to paragraph (j) of section 43.5.

commerce, (3) in failing to consider the increase in the average number of patrons in 1960 and the period of 1961 over the number of passengers utilizing the service in 1959, (4) in failing to recognize that petitioner had allowed service along and over the line to decline in order to present a plausible case for the abandonment of passenger service, and (5) in concluding that future industrial expansion of the area is not dependent upon existing rail passenger service.

In his determination of the financial results of operation the examiner has allowed or disallowed certain items of expense consistent with our prior decisions in similar discontinuance proceedings. Interveners have assailed the methods utilized in approximating certain cost items where the actual expense cannot be determined. However, they have offered no substitute formula whereby a more accurate determination may be made. Under the circumstances we will rely on the methods which have been acceptable to us in the past.

The contention that the overall prosperity of the petitioners must be given effect in the disposition of the issues involved herein has been adequately discussed in our consideration of one of interveners' motions and no further clarification of our position in that matter is necessary.

[fol. 15] The fact has not been overlooked that there has been an increase of nearly 50 percent in the daily average number of passengers patronizing these trains in the first 5 months of 1961. The record also discloses that the increase in the 1961 period was due largely to an increased number of group movements of school children. However, despite the increase in patronage during the first 5 months of 1961, passenger revenues during that period amounted to only \$10,653 or approximately \$26,000 less than train and engine crew wages.

The evidence of record fails to support interveners' contention that petitioner has deliberately discouraged the use of the trains as a part of its plan to present a plausible case for discontinuing passenger service over the line. Neither the present nor prospective traffic on the line would justify the use of expensive or ultramodern equipment and, as stated by the examiner, we have repeatedly held that pro-

spective patrons who must be coaxed to use a service have no urgent need for it.

We have also expressed the view that while industrial expansion may, under certain circumstances, depend upon the existence of rail passenger service, it would appear that prospective industries are much more interested in freight service than rail passenger facilities. See *Chicago, M. St. P. & P. R. Co. Discontinuance of Service*, 307 I.C.C. 565, 578 and *Chicago & N. W. Ry. Co. Discontinuance of Service*, 307 I.C.C. 775, 782.

From a review of the evidence of record we conclude that the cost to the carrier of operating the trains involved greatly exceeds the benefit derived from said trains by the traveling public; that existing alternate transportation service by rail, bus, airline and motor truck are reasonably adequate for the transportation of passengers, and express; that the public will not be materially inconvenienced by the discontinuance of the service here involved; that the savings to be realized by the carrier outweigh the inconvenience to which the public may be subjected by such discontinuance; that such savings will enable the carrier more efficiently to provide transportation service to the public which remain in substantial demand; and that the continued operation of trains Nos. 13 and 16 would constitute a wasteful service and would impose an undue burden on interstate commerce.

We have heretofore concluded that we have no authority under section 13a(2) to impose conditions for the protection of rail employees adversely affected by the discontinuance. While it is recognized that the probable adverse effect upon employees is a factor to be considered in determining public convenience, such probable adverse effect in the present proceeding does not afford a sufficient basis to justify continued operations of the involved trains.

Contentions of the parties as to either law or fact not specifically discussed herein have been given consideration and found to be without material significance or not justified.

We find that the present and future public convenience and necessity permit the discontinuance of service by the Southern Railway Company of its passenger trains Nos. 13

and 16 between Greensboro and Goldsboro, N. C., and that the continued operation thereof would constitute an unjust and undue burden upon the interstate operations of that carrier and upon interstate commerce.

An appropriate order will be entered.

[fol. 16]

ORDER

At a Session of the INTERSTATE COMMERCE COMMISSION, Division 3, held at its office in Washington, D. C., on the 27th day of June, A. D. 1962.

Finance Docket No. 21563

SOUTHERN RAILWAY COMPANY DISCONTINUANCE OF SERVICE BETWEEN GREENSBORO AND GOLDSBORO, N. C.

Investigation of the matters and things involved in this proceeding having been made, a hearing having been held, and said Division, on the date hereof, having made and filed a report herein containing its findings of fact and conclusions of law, which report is hereby referred to and made a part hereof:

It is ordered, That interveners' motions to dismiss the proceeding be, and they are hereby denied.

It is further ordered, That the petition of the Southern Railway Company to discontinue the operation of the passenger trains specified in the aforesaid report be, and it is hereby granted.

It is further ordered, That this order shall be effective 20 days from the date of service hereof; and

It is further ordered, That if the authority herein granted is not exercised within one year from the effective date thereof, it shall be of no further force or effect.

By the Commission, division 3.

HAROLD D. MCCOX,
Secretary.

(SEAL)

[fol. 17]

EXHIBIT "B" TO COMPLAINT**• SERVICE DATE
JULY 20, 1962****ORDER****Finance Docket No. 21563****SOUTHERN RAILWAY COMPANY DISCONTINUANCE OF SERVICE BETWEEN GREENSBORO AND GOLDSBORO, N. C.**

In the Matter of a Petition for a Determination of the Presence of an Issue of General Transportation Importance.

PRESENT: KENNETH H. TUGGLE, Commissioner, to whom the above-entitled matter has been assigned for action thereon.

Upon consideration of the record in the above-entitled proceeding, including the petition of the State of North Carolina, the Durham Chamber of Commerce, Research Triangle Institute, Erwin Mills, Inc., Duke University, and Mrs. Mary Trent Semans, filed July 16, 1962, under the provisions of section 1.101(a)(4) of the General Rules of Practice before the Commission, for a determination of the presence of an issue of general transportation importance; and

It appearing, That the Commission, Division 3, by its report and order decided June 27, 1962, and served July 2, 1962, granted the petition of the Southern Railway Company to discontinue its passenger train service between Greensboro and Goldsboro, N. C., which order is to become effective 20 days from its date of service; and

It further appearing, That the petitioners herein have complied with the provisions of said section 1.101(a)(4) of the General Rules of Practice and that the question of the presence of an issue of general transportation importance will become moot if the order of the Commission, Division 3, decided June 27, 1962, is to become effective:

It is ordered, That the effective date of the order of the Commission, Division 3, decided June 27, 1962, in this proceeding be, and it is hereby, postponed pending the determination of the petition requesting a determination of the presence of an issue of general transportation importance.

Dated at Washington, D. C., this 18th day of July, A. D. 1962.

By the Commission, Commissioner Tugle.

HAROLD D. MCCOY
Secretary

(SEAL)

[fol. 18]

EXHIBIT "B-1" TO COMPLAINT

SERVICE DATE
AUGUST 8, 1962

ORDER

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 6th day of August, A. D. 1962.

Finance Docket No. 21563

SOUTHERN RAILWAY COMPANY DISCONTINUANCE OF SERVICE BETWEEN GREENSBORO AND GOLDSBORO, N. C.

Upon consideration of the record in the above-entitled proceeding, including the petition of the State of North Carolina, the Durham Chamber of Commerce, Research Triangle Institute, Erwin Mills, Inc., Duke University, and Mrs. Mary Trent Semans, filed July 16, 1962, under the provisions of section 1.101(a)(4) of the General Rules of Practice before the Commission, for a finding that this proceeding involves an issue of general transportation importance; and

It appearing, That no issue of general transportation importance is involved in the proceeding:

It is ordered, That said petition be, and it is hereby, denied, and the order of June 27, 1962, be, and it is hereby made effective 15 days from the date of service hereof.

By the Commission.

HAROLD D. MCCOV,
Secretary.

(SEAL)

[fol. 19] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
Civil Action File No. C-158-D-62

[Title omitted]

ANSWER OF SOUTHERN RAILWAY COMPANY
—Filed September 10, 1962

The Defendant, Southern Railway Company, answering the Complaint of the Plaintiffs, alleges and says:

1.

It is denied that many people in the City and County of Durham use the trains involved in this proceeding. It is denied that the operation of the Research Triangle requires the services of these trains. It is denied that the officers, directors and employees of Erwin Mills, Inc. use [fol. 20] the services of the trains involved in this proceeding. Except as herein denied, the allegations of Paragraph 1 are admitted.

2.

The allegations of Paragraph 2 are admitted. In this connection, it is specifically alleged that Greensboro is on the main line of the Southern Railway Company and it is served by five (5) trains daily in each direction between Washington, D. C., Atlanta, Georgia, and other points, and two (2) trains daily in each direction between Greensboro and Asheville via Winston Salem; that Raleigh is on the main line of the Seaboard Airline Railroad Company and is served by six (6) trains daily in each direction between Richmond, Virginia, and points North, and Florida points and Atlanta and Birmingham, and one (1) train daily in each direction between Raleigh and Portsmouth, Virginia; that Selma, North Carolina, is on the main line of the Atlantic Coast Line Railroad and is served by three (3) trains daily in each direction between Richmond, Virginia, and points North, and Florida; that Goldsboro, North Carolina, is on the Atlantic Coast Line Railroad and is served by one (1) train daily in each direction between Rocky Mount and Wilmington, North Carolina, which connects with other trains at Rocky Mount to provide through sleeping car service between Wilmington, North Carolina, Washington and New York.

3.

It is denied that the passenger trains involved in this proceeding afford the only passenger service between Greensboro and Goldsboro, the truth being that passenger service between the two points is provided by numerous busses. In addition, the Cities of Greensboro, Raleigh, Selma and Goldsboro are served by passenger trains as described in Paragraph 2 above. Except as herein denied, the allegations of Paragraph 3 are admitted. In this connection, the Defendant attaches hereto as its Exhibit No. 1 a true and correct copy of the Report of Examiner William J. Gibbons.

4.

The allegations of Paragraph 4 are admitted.

5.

It is denied that the discontinuance of the operation of the trains involved in this proceeding would constitute a breach of the lease agreement with the North Carolina Railroad Company. Except as herein denied, the allegations of Paragraph 5 are admitted.

[fol. 22]

6.

It is admitted that Southern Railway Company is not in default in the payment of any of its financial obligations; that the Southern Railway Company does not operate at a loss; that the passenger trains involved in this proceeding are the only passenger trains running between Greensboro and Goldsboro. Except as herein admitted, the allegations of Paragraph 6 are denied.

7.

The allegations of Paragraph 7 and each subdivision thereof are denied.

8.

It is denied that the lease between the Southern Railway Company and the North Carolina Railroad Company imposes upon the Southern the obligation to continue the operation of the passenger trains involved in this action or that the discontinuance of such trains would constitute a breach of said lease. Except as herein denied, the allegations of Paragraph 8 are admitted.

9.

The allegations of Paragraph 9 and each subdivision thereof are denied.

[fol. 23]

10.

The allegations of Paragraph 10 are admitted.

Wherefore, having fully answered the Complaint of the Plaintiffs, the Defendant prays that this action be dis-

missed, that the costs of this action be taxed to the Plaintiffs, and for such other and further relief as the Court may deem just and proper.

Southern Railway Company, By Earl E. Eisenhart,
Jr., P. O. Box 1808, Washington 13, D. C., James
A. Bistline.

Joyner & Howison, By W. T. Joyner, Jr.

[fol. 24]

EXHIBIT 1 TO ANSWER

INTERSTATE COMMERCE COMMISSION

Served October 27, 1961

NOTICE TO THE PARTIES

Exceptions, if any, must be filed with the Secretary, INTERSTATE COMMERCE COMMISSION, Washington, D. C., and served on all other parties in interest within 30 days from the date of service shown above, or within such further period as may be authorized for the filing of such exceptions. At the expiration of said period for the filing of exceptions, the attached order will become the order of the Commission and will become effective unless exceptions have been seasonably filed or the order has been stayed or postponed by the Commission. If exceptions are filed, replies to exceptions may be filed within 20 days after the final date for filing of exceptions. It should not be assumed that the recommended order has become effective as the order of the Commission until a notice or order to that effect, has been served.

Finance Docket No. 21563

SOUTHERN RAILWAY COMPANY
DISCONTINUANCE OF SERVICE BETWEEN
GREENSBORO AND GOLDSBORO, N. C.

Decided

- (1) Motions of protestants to dismiss proceeding overruled.
- (2) Order granting petition of Southern Railway Company to discontinue the operation of trains 13 and 16 between Greensboro and Goldsboro, N. C.

Arthur J. Dixon and Earl E. Eisenhart for Southern Railway Company.

F. Kent Burns for State of North Carolina and North Carolina Utilities Commission.

Robert B. Holton, W. J. Burton, Jr., and R. L. Carnes for railway labor organizations, protestants.

Claude V. Jones, Victor S. Bryant, E. C. Bryson, E. C. Brooks, Jr., A. H. Graham, Jr., and Francis E. Walker for other protestants.

REPORT AND ORDER
RECOMMENDED BY WILLIAM J. GIBBONS,
HEARING EXAMINER

On April 6, 1961, the Southern Railway Company, a common carrier by railroad subject to Part I of the Interstate Commerce Act, filed a petition under section 13a(2) [fol. 25] of the Act for authority to discontinue the operation of trains Nos. 13 and 16 between Greensboro and Goldsboro, N. C. A hearing was held in Raleigh, N. C. on July 11 through July 14, 1961, of which the Governor of the State of North Carolina and the North Carolina Utilities Commission had notice. The Southern Railway Company will be referred to herein as the "petitioner", the

railway labor organizations and their representatives as "employees", and all other parties, including the State of North Carolina and the North Carolina Utilities Commission, will be referred to as "protestants". The proceeding has been referred to the examiner who presided at the hearing for a recommended report and order. Briefs have been filed.

On July 8, 1959, the Southern Railway Company filed an application with the North Carolina Utilities Commission for authority to discontinue the operation of the same trains that are involved in this proceeding. After hearing, the North Carolina Commission issued its order dated January 20, 1960, denying the application. On appeal, a judgment of the Superior Court of Wake County, N. C., affirming the order of the North Carolina Utilities Commission, was affirmed by the North Carolina Supreme Court on February 3, 1961. *State of North Carolina, ex rel. Utilities Commission et al. v. Southern Railway Company*, 254 N.C. 73.

At the outset of the hearing, protestants filed three separate motions to dismiss the proceeding on the grounds that (1) section 13a(2) is unconstitutional, (2) decision of the Supreme Court of North Carolina which sustained the order of the State Commission is res judicata, and (3) no proper notice of the hearing was given as required by law.

It is well established that an administrative agency is without power to pass upon the constitutionality of a federal statute which it is called upon to administer. See *Engineers Public Service Co. v. SEC*, 78 U. S. App. D.C. 199, 138 F. 2d 936, 952-953, dismissed as moot 332 U.S. 788; *Panitz v. District of Columbia*, 72 App. D.C. 131, 112 F. 2d 39; *Todd v. SEC*, 137 F. 2d 475, 478 (6th Cir.); *Central Nebraska Public Power & Irr. Dist. v. FPC*, 160 F. 2d 782 (8th Cir.), certiorari denied 332 U.S. 765; and *Public Utilities Commission v. United States*, 355 U.S. 534, 539.

With respect to the second motion to dismiss, it is the position of protestants that the matter has been conclusively adjudicated by a court of competent jurisdiction and that all parties are bound by such determination in the absence of an allegation or showing of a change of conditions, and

since no change in conditions has been alleged or shown, the decision of the Supreme Court of North Carolina, *supra*, is res judicata.

In the past, this Commission has superseded court decisions when the applicable statute clearly indicated that it should do so. *Chicago, S. S. & S. B. R.*, 234 I.C.C. 34; *Street Elect. Ry. & M. Coach Employees v. C., A. & E. R.* [fol. 26] Co., 234 I.C.C. 301; and *Sprague v. Woll*, 122 F. 2d 128, certiorari denied 314 U. S. 669. The jurisdiction of this Commission over the subject matter of this proceeding has been established by virtue of the denial of petitioner's application by the North Carolina Commission and the subsequent filing by petitioner of the petition herein. After the jurisdiction of this Commission has been properly invoked, section 13a(2) contemplates that the matter be tried de novo and that the prior determination by the appropriate State authority is of an advisory nature only, having no binding effect upon this Commission.¹ To hold otherwise would render section 13a(2) ineffectual or wholly inoperative. Moreover, section 13a(2) raises an issue with respect to the burden on interstate commerce, an issue which neither the North Carolina Commission nor the North Carolina Supreme Court was empowered to determine. The doctrine of res judicata does not preclude relitigation when a new or different claim or issue is presented. For the above reasons, the examiner concludes that this Commission is not bound by the order of the North Carolina Commission or by the State Court decisions which affirmed that order.

Protestant's third motion to dismiss is based upon the ground that petitioner did not post notices of its proposed discontinuance in its stations, depots and passenger cars as required by law. In support of this motion, they contend that the applicable regulations (49 CFR 43.1) specifically state that the rules apply to a "notice" under section 13a(1) of the Act, or to a "petition" under section 13a(2).

¹ Section 13a(2) provides, among other things, that this Commission "is authorized to avail itself of the cooperation, services, records and facilities of the authorities in such State in the performance of its functions under this paragraph."

and further that section 43.5(j) of the regulations requires that a copy of the notice of the proposed discontinuance be posted "in a conspicuous place in each station, depot or other facility involved, including each ferry and each passenger car . . ." (49 CFR 43.5(j)).

It is to be observed that the regulations define the term "notice" as a notice provided for in section 13a(1) of the Act, and the term "petition" as a petition filed under section 13a(2). (49 CFR 43.2). Section 43.5 of the regulations, paragraphs (a) through (k), specifically applies to a "notice" in a section 13a(1) proceeding, and section 43.6, paragraphs (a) through (d) specifically applies to a "petition" in a 13a(2) proceeding.²

Among other things, section 43.6 provides that petitions for authority to effect the discontinuance of a train shall contain information required by section 43.5 excepting [fol. 27] paragraph (i) thereof. (49 CFR 43.6). By requiring all other information contained in section 43.5 excepting paragraph (i), section 43.6 would appear to require the carrier to comply with the notice posting requirement of section 43.5(j).

Despite the language of section 43.6, such a requirement on the part of the carrier was never intended in a section 13a(2) proceeding. As originally issued by this Commission on August 14, 1958, paragraph (i) of section 43.5 contained the requirement with respect to the posting of notices in a section 13a(1) proceeding, and section 43.6, relating to petitions, required the information set forth in section 43.5 excepting paragraph (i) thereof. (23 F.R. 6378, August 20, 1958). Thus, it is clear that, as originally issued, the applicable regulations did not require that the notice called for in a section 13a(1) proceeding be required in a section 13a(2) proceeding.

By subsequent amendments to the regulations on November 12, 1959, a new paragraph (i) was added to section 43.5 and the then existing paragraph (i) was amended and redesignated paragraph (j). (25 F.R. 434, January 20, 1960). No amendment or change in section 43.6 was made at that time and through inadvertence or as a result of an

² Sections 43.7 and 43.8 apply to notices and petitions.

apparent mishap, the reference to paragraph (i) was retained in section 43.6 when it (paragraph (i)) should have been relettered paragraph (j). Thus, the only conclusion that can be drawn from the administrative history of the applicable regulations as well as from the contemporaneous construction placed thereon by this Commission is that the type of notice required in a section 13a(1) proceeding is not required in a section 13a(2) proceeding. In this connection, see *Pennsylvania R. R. Co.—Discontinuance of Passenger Service, Camden-Pemberton, N. J.*, F. D. No. 20553, decided June 6, 1960. To interpret the regulations differently would be inconsistent with the obvious intent expressed in sections 13a(1) and 13a(2) of the Act.

For the reasons stated, the 3 motions of protestants above-described to dismiss this proceeding should be overruled.

The trains sought to be discontinued, hereinafter identified as trains 13 and 16, operate daily between Greensboro and Goldsboro, a distance of 129.1 miles. As presently scheduled, eastbound train 16 leaves Greensboro at 6:10 a.m., and arrives at Goldsboro at 10:45 a.m., serving 12 intermediate stations on regular stops and 9 stations on flag stops. Train 13 leaves Goldsboro at 3:05 p.m., and arrives at Greensboro at 7:50 p.m., serving 10 regular intermediate stations and 11 flag stops. These are the last two passenger trains operating in an east-west direction between Greensboro and Goldsboro. Appendix A hereto shows the schedules of the trains, the regular stops, flag stops and the populations of the cities and towns served by the trains.

[fol. 28] The trains regularly consist of a 1500-horse-power diesel electric locomotive, a passenger coach, and a combination car for passengers, baggage and express. In addition, on the portion of the run between Raleigh, N. C., and Greensboro, each train handles a sleeping car which, in turn, is handled on other passenger trains of petitioner between Greensboro and Washington, D. C., and on trains of the Pennsylvania Railroad between Washington and New York City, thus providing through sleeping car service between Raleigh, Washington, Philadelphia and New York City. The trains carry express but no mail. The

trains are operated by a 5 man railroad crew consisting of an engineer, fireman, conductor, flagman, and brakeman. Although one crew makes a round trip, two crews are necessary in the operation because of limitations on the number of working days. In addition, a pullman conductor and a porter work the sleeping cars and an express messenger works the trains 5 days a week.

During the periods indicated below, the total number of passengers carried on trains 13 and 16, the daily average on each train and average passenger mile per train mile were as follows:

Passengers

	1959	1960	1961 (5 mos.)
Train 13	6,462	7,076	4,384
Train 16	7,789	7,700	4,550
Total	14,251	14,776	8,934

Daily Average

	1959	1960	1961 (5 mos.)
Train 13	17.7	19.3	29.0
Train 16	21.3	21	30.1
Total	19.5	20.2	29.6

Average Passenger Mile Per Train Mile

	1959	1960	1961 (5 mos.)
Train 13	6.51	7.16	10.67
Train 16	7.16	7.50	9.27
Total	6.83	7.33	9.97

Appendix "B" shows the on-and-off passenger count at each station for train 13 in 1960 and the daily average at each station. Appendix "C" shows similar data with respect to train 16 in 1960. In 1959 and in the first 5 months of 1961, the pattern of entrainment and detrainment was substantially the same as in 1960. As shown by these statistics, the overwhelming majority of the stations served averaged less than 1 passenger a day boarding train 13 or

16. Of the total passengers (7076) carried by train 13 in [fol. 29] 1960, 989 passengers entrained at Goldsboro, 826 at Raleigh, 2,929 at Durham and 1,464 at Burlington, and 5,048 passengers detrained at Greensboro. Of the total passengers (7,700) carried by train 16 in 1960, 5,101 entrained at Greensboro, 112 at Burlington, 775 at Durham and 667 at Raleigh. All but 1,279 of these passengers on train 16 detrained before reaching the end of the line at Goldsboro, the heaviest detrainment (2,712) occurring at Durham, and at Burlington and Raleigh, with 1,275 each.

In 1948, both trains carried 56,739 passengers, an average of 77.51 per trip, as compared with a total of 14,776, or an average of 20.19 per trip, in 1960. During the same period, total passenger revenues declined from \$60,534, or an average passenger revenue of \$82.70 per trip, to \$21,135 or \$28.87 per trip. In 1959, 1960 and during the first 5 months of 1961, the average revenue per passenger was respectively, \$1.39, \$1.43, and \$1.19. Each train earns from 21 to 22 cents per train mile in passenger revenue, and about 34 cents per train mile in express revenue.

As shown by petitioner's exhibits, the revenues derived from the operation of the trains in 1959, 1960, and the first 5 months of 1961, the direct expenses incurred in connection therewith and the expenses in excess of revenues were as follows:

	1959	1960	1961 (5 mos.)
<i>Revenues</i>			
Passenger	\$ 19,839	\$ 21,135	\$10,653
Express	\$ 31,875	\$ 31,630	\$ 4,697
Miscellaneous	\$ 356	\$ 336	\$ 140
<i>Total Revenues</i> ..	\$ 52,070	\$ 53,101	\$15,490
<i>Direct Expenses</i> ..	\$174,907	\$170,742	\$70,321
<i>Expenses in excess of Revenues</i> ..			
	\$122,837	\$117,641	\$54,881

Appendix D, shows the details of the operating results for both trains for 1960. Similar data is of record for 1959 and for the first 5 months of 1961.

Passenger revenues are actual as determined from the tickets collected by conductors, showing station to station travel, the class of passage and the type of ticket used. When interline travel is involved, revenues are determined on a mileage pro rate. Miscellaneous revenues represent actual revenues received for the handling of newspapers, and express revenues are computed by the application of the system average revenue per carfoot mile to the carfoot miles assigned to trains 13 and 16. As to the computation of expenses, the wages of train and engine crews, vacation allowances, payroll taxes, and equipment rental are actual as shown by petitioner's books and records. Train fuel [fol. 30] expenses were determined by applying the system average cost per gallon to the number of gallons of fuel consumed by these trains during a test period. Net losses from the operation of the sleeping car represents the excess of expenses over revenues between Raleigh and Greensboro, as billed to petitioner by the Pullman Company. Locomotive expenses are computed on the system average cost per diesel locomotive unit mile, and passenger car expenses are determined on a system average cost per passenger car mile. The joint facility expenses at the Goldsboro Union Station are computed on the basis of the number of cars moving in and out of the station.

Expenses resulting from damage to livestock and injuries to persons, incurred in 1960 and 1961, are actual. Neither of these expenses was incurred in 1959. Excluded from the carrier's operating costs are expenses for maintenance of tracks and structures, depreciation on equipment, traffic and supervisory expenses, property taxes, and general expenses. Other financial data presented by petitioner shows that system off-line revenues derived from the trains sought to be discontinued amounted to \$73,960 in 1959 and \$83,034 in 1960. After reducing these amounts by 50 percent as the cost of producing the revenue, the net feeder value of trains 13 and 16 was \$36,980 and \$41,517, respectively, in 1959 and 1960.

As a result of the discontinuance of these trains, petitioner claims that it will realize savings of \$122,837, which is equivalent to its out-of-pocket loss in 1959. In addition, it estimates that it will save another \$15,015 annually,

made up of station expenses (\$4,046), rental for lease of property at Burlington (\$6,820), and heat and light in various stations (\$4,149).

With respect to other available methods of transportation, petitioner submitted data to show that 15 motor buses operate daily in each direction between Greensboro and Raleigh and 8 between Raleigh and Goldsboro, with 2 daily scheduled operations in through service between Greensboro and Goldsboro. In addition, local bus service is available twice a day in each direction between Raleigh and Durham. Most of the buses in the area provide through service to and from points beyond the terminals of trains 13 and 16, in addition to providing local service. Of the 23 stations served by trains 13 and 16, McLeansville, Glen and Rose are the only stations not directly served by motor bus.

Other rail passenger service is available at 4 stations now served by trains 13 and 16. At Greensboro, 7 trains of the petitioner in each direction provide daily service, and at Raleigh 6 daily trains of the Seaboard Airline Railroad are available in each direction. The Atlantic Coast Line Railroad operates 3 passenger trains daily in each direction [fol. 31] through Selma, and 1 train a day through Goldsboro. These trains provide through service, including pullman accommodations, to and from, among other points, Washington, D. C., New York City, Atlanta, Ga., Birmingham, Ala., and Richmond, Va. In addition, daily air line service is available between the Raleigh-Durham and the Greensboro-High Point Airports and Washington, D. C., New York, Philadelphia, Chicago and other major cities.

At present most of the express traffic originating at and destined to Greensboro, Burlington, Durham, Raleigh, Selma and Goldsboro is handled by over-the-highway motor trucks of the Railway Express Agency, although it can still be transported via trains 13 and 16. At 8 of the smaller communities, which the Railway Express Agency is not presently authorized to serve by truck, express service is provided exclusively by trains 13 and 16. In the event the trains are discontinued, the Railway Express Agency proposes to handle all of the express by motor truck. In addition, other passenger trains previously mentioned herein provide express service at Greensboro, Raleigh, Selma and

Goldsboro, and various bus lines in the area offer a limited express service.

For the most part, the 7 county-area through which the trains operate is traversed by a network of paved, all weather highways, at least one of which substantially parallels petitioner's railroad. Most of the communities served by the trains are located on improved highways or in close proximity thereto. In the area served by the trains, there is an average of one passenger automobile for every 2.9 persons as compared with an average for the entire State of one automobile for every 3.3 persons.

[fol. 32] At the hearing before the North Carolina Public Utilities Commission, 18 public witnesses testified as to the need for the service provided by trains 13 and 16. In the instant proceeding, testimony was offered by 21 witnesses, most of whom use the trains with varying degrees of frequency. Many of the witnesses testified as to the use of the trains by members of their families, their employees and associates. Fifteen of the opposition witnesses, including college professors, research scientists, business executives and government employees, came from the Durham area or had an interest there, and 3 were business men from Burlington. Their use of the trains is primarily for travel on the sleeping car between Durham or Burlington and Washington, D. C., Philadelphia, New York City and other intermediate points.³ For personal convenience or because of medical necessity, these persons use the trains instead of other available modes of transportation. One witness expressed concern about express service to and from Elon College,⁴ while others feared that the discontinuance of these trains would hamper the industrial development of the area. Through oral testimony, petitioner denied that the presence or absence of rail passenger service has any bearing on industrial development.

³ Durham and Burlington are 55 and 21.4 rail miles, respectively, from Greensboro, at which point the Pullman car on trains 13 and 16 is switched to and from other trains of petitioner.

⁴ For sometime in the past, express service at this station has been provided by truck.

Other evidence of protestants relates to the uncleanliness of the passenger stations on the line, and the deterioration of service generally, including the lack of dining facilities on the trains, the failure of petitioner to pre-cool the cars in the summertime and to properly heat them in the wintertime, and difficulties encountered in securing reservations. At the hearing, protestants took the position that poor service and lack of modern facilities, plus petitioner's failure to advertise or solicit business, are primarily responsible for the reduction in passenger patronage. As against this, petitioner contends that its passenger facilities are clean, comfortable and modern, and that in the past efforts to attract additional patronage through advertising and solicitation have been unproductive.

Both at the hearing and on brief, protestants assail the method used by petitioner in computing many of its expenses on the basis of system averages. In the past this method of computing locomotive and passenger car expenses has been approved in train discontinuance proceedings as reasonably approximating the actual expenses incurred. *Louisville & N. R. Co., Discontinuance of Service*, 307 I.C.C. 173, and *Missouri Pac. R. Co., Discontinuance of [fol. 33] Service*, 307 I.C.C. 787. As to the expenses at the Union Station in Goldsboro, these expenses are actual and will be savable to petitioner, since trains 13 and 16 are the last trains of petitioner using that terminal. Upon the discontinuance of the trains herein, the terminal expenses at Goldsboro would undoubtedly be redistributed among other carriers using the terminal. Since the terminal expense of the petitioner at Goldsboro amounts to about \$7,000 annually,⁵ it does not appear that the redistribution thereof will impose an undue burden upon other carriers in interstate commerce. In this connection, see *Wabash Railroad Company Discontinuance of Service Between Toledo, Ohio, and Fort Wayne, Ind.*, F. D. No. 20710, decided November 30, 1959.

It is doubtful that full recognition should be accorded to expenses for damage to livestock and injury to persons,

⁵ Terminal expenses at Goldsboro were \$6,350 in 1959 and \$6,940 in 1960.

since neither of these recur with sufficient regularity to treat them as part of petitioner's normal operating expenses. Inasmuch as both items of expense are insubstantial, the exclusion of them from petitioner's operating results will not alter the ultimate findings made herein.* Except for these, the remaining expenses presented by petitioner are directly attributable to the operation of the trains and appear to be proper and fairly realistic.

In determining the net feeder value of these trains, the protestants contend that the reduction of the gross system-connected revenues by 50 percent, as representing the cost of producing such revenues, is purely speculative. Protestants, however, suggest no alternative cost formula. In rail abandonment proceedings as well as in train discontinuance cases, the Commission has accepted the 50 percent formula as reasonably reflecting the cost of producing system off-line revenues: *Chicago, M. St. P. & P. R. Co., Discontinuance of Service*, 307 I.C.C. 565. In the absence of a more precise method for determining net feeder value, the examiner accepts as reasonable the 50 percent cost formula used by petitioner.

It is the further position of protestants that revenues are understated since no revenue was assigned to the trains for the transportation of pass riders. In a recent case, the Commission, in rejecting a similar contention, observed that "constructive revenues or phantom revenues—revenues [fol. 34] from fares never collected—are of no measurable financial advantage to the carrier, and, thus should be disregarded in the computation of total revenues." *Southern Pacific Company Partial Discontinuance of Passenger Trains Between Los Angeles and Sacramento; Oakland and Sacramento; and San Francisco and San Jose, Calif.*, F. D. 20503, decided August 11, 1961. These remarks are equally applicable here. While no doubt the carrier incurs some expense in the transportation of pass riders, the expenses involved should be considered as being merely incidental to the petitioner's primary responsibility of oper-

* In 1960 expenses for injuries to persons were \$500 and for damage to livestock \$50. In 1961 expenses for injuries to persons was \$3,500. Neither of these expenses was incurred in 1959.

ating the trains for the benefit of the public. So long as the trains are required to operate, the additional cost of carrying pass riders or deadheads is infinitesimal. Thus, there is no basis for reducing or adjusting the expenses of these trains because of the pass riders. Similarly, there is no merit in protestants' contention that the computation of express revenues on a car-foot-mile basis is improper. See, *Chicago & N. W. Ry. Co. Discontinuance of Service*, 307 L.C.C. 775.

Another contention of protestants is that any operating deficit on this line should be reduced by a percentage amount equivalent to the combined federal and State corporate income taxes. In considering and rejecting a similar contention in *New York Central R. Co. Abandonment*, 254 I.C.C. 745, 755, the Commission stated:

"The committee of Yonkers Commuters contends, in effect, that the actual loss of \$60,155 from the operation of the branch should be reduced to \$36,093 because if the loss had not been incurred, applicant would have paid a 40 percent Federal income tax on an equal sum, amounting to \$24,062, but obviously the loss was actually incurred, and it cannot reasonably be considered that it was less because applicant's total income [sic] tax might have been \$24,062 less than it would have been had it not been incurred."

The findings and conclusions in the above report were affirmed in *Public Service Commission of New York v. United States*, 56 F. Supp. 351, affirmed 323 U. S. 675, rehearing denied 323 U. S. 817. The Commission has recently reaffirmed its position on this issue. See *Southern Pacific Co.—Partial Discontinuance of Passenger Trains, Los Angeles, etc. supra*. The contention of protestants on this issue must accordingly be rejected.

At the hearing, protestants emphasized the fact that petitioner's net railway operating income in 1960 was \$36,107,599, and that its net income alone from freight operations on the line between Greensboro and Goldsboro averages \$630,000, thus contending that the overall prosperity of the petitioner, as well as its intrastate freight operations,

must be given effect in the disposition of the issues involved [fol. 35] herein. With these contentions, the examiner disagrees. The legislative history of section 13a(2) indicates that the purpose thereof is to permit the discontinuance of the operation of services that "no longer pay their way and for which there is no longer any public need to justify the heavy financial losses involved." (S. Rep. 1647, 85th Cong.). (Emphasis supplied). In considering a somewhat similar contention, in *Southern Pacific Co.—Partial Discontinuance of Passenger Trains, Los Angeles, etc. supra*, the Commission made the following pertinent statement:

"Nowhere in section 13a(2) or elsewhere in the law is there any requirement that the prosperity of the intrastate operations of the carrier as a whole, or any particular segment thereof, must be given effect in determining whether the operation of an individual intrastate train imposes an unjust and undue burden on interstate commerce. To hold otherwise would be contrary to the apparent intent of the Congress."

In this same connection, the argument that losing passenger operations must be supported by constantly increasing freight rates is also untenable. In rejecting this argument, the Commission stated that such "theory of regulation would not be consonant with the national transportation policy, and would be fraught with disastrous possibilities." *Great Northern Ry. Co. Discontinuance of Service*, 307 I.C.C. 59, 61. Similarly, the fact that petitioner's system operations are profitable is entitled to little or no weight. See *New York Central R. Co. Abandonment, supra*; *Seaboard A. L. Ry. Co. Abandonment*, 257 I.C.C. 758; *Great Northern Ry. Co.—Discontinuance of Service, supra*.

Although protestants submitted no financial data with respect to trains 13 and 16, they contend on brief that the maximum loss incurred by the operation of these trains in 1960 was \$33,688 instead of petitioner's claimed loss of \$117,641. To reach this conclusion, protestants subtracted \$6,940 (terminal expenses at the Goldsboro Union Station) and \$41,517 (net feeder value) from petitioner's claimed

loss. From this amount (\$70,184),¹ they further subtracted a federal income tax deduction (52 percent of \$70,184) of \$36,496.

For reasons hereinbefore stated, terminal expenses at Goldsboro have been allowed, and protestants' contention regarding income tax savings has been overruled. In the foregoing computation, protestants assume that petitioner will lose all system-connected revenue produced by these trains. Petitioner claims that it will retain all of it, [fol. 36] Neither of these positions can be reasonably sustained. It seems obvious that petitioner will neither lose nor retain all of such revenue. The exact amount of system-connected revenue losses, however, can not be determined from the record. But assuming that the entire net feeder value of these trains will be lost, petitioner's minimum out-of-pocket loss from the operation of these trains, on the basis of 1960 figures and after deducting \$550 for non-recurring expenses resulting from injuries to persons and livestock would be \$75,574 annually. Add to this the savings of \$15,015 in station expenses, previously referred to herein, and the net savings to be realized from the discontinuance of these trains would be at least \$90,589 a year. On the theory that some of the feeder value will be retained, the examiner is of the opinion that the annual savings will be considerably in excess of \$90,589 a year.

Among others, the factors to be considered in a proceeding of this nature are the populations of the communities served, the use made by the public of the trains sought to be discontinued, other means of transportation in the area, and the financial losses sustained by the carrier in providing the service. *Colorado v. United States*, 271 U. S. 153. Under the provisions of section 13a(2), the Commission's determination must be designed to protect interstate commerce from onerous burdens which may affect the ability of the carrier to continue to provide efficient transportation service to the public generally. Thus, in determining public convenience and necessity, the needs of the entire public, as distinguished from the relatively few, must be taken into

¹ There appears to be a mathematical error of \$1,000 in protestants' calculation.

account. When there is a demonstrated need for the service, the continuation thereof might be justified even at a loss to the carrier. In the final analysis, however, the need for the service must be balanced against the losses sustained in providing the service.

That some need exists for the service of trains 13 and 16 is shown by the testimony of the opposition witnesses. Their need, however, is relatively insubstantial when viewed in the light of the density of the population of the area served and the patronage that is potentially available. Only scattered opposition appeared at the hearing in this proceeding and at the hearing held by the North Carolina Commission, and most of the opposition came from Durham, with virtually none east thereof. It is obvious that the needs of these few would be insufficient to justify the institution of a new service. Conversely, it should be equally apparent that under the test of public convenience and necessity, their needs no longer justify the continuation of existing service.

In arriving at this conclusion, the fact has not been overlooked that there has been an increase of nearly 50 percent in the daily average number of passengers patronizing these trains in the first 5 months of 1961 as compared with the entire year of 1959. In actual numbers, the daily [fol. 37] average for both trains increased from 19.5 in 1959 to 29.6 in the first 5 months of 1961.

These figures, however, are of minor significance because the comparison of two entirely different periods fails to take into consideration seasonal variations in passenger traffic patterns and for the further reason that the increase in 1961 was due largely to an increased number of group movements of school children. Moreover, the percentage increase becomes even less meaningful when considered in the light of petitioner's statement that 82,000 additional passengers a year on these trains would be required to enable it to break even. Despite the increase in patronage in the first 5 months of 1961, passenger revenues during that period amounted to only \$10,653, or \$26,020 less than the wages of the train and engine crews.

For most of the major communities, alternate passenger service is available by bus and by air and 4 communities

have rail passenger service. Only 3 small communities would be left wholly without bus service. Likewise, express service by motor truck, as proposed by the Railway Express Agency, should be adequate for most of the communities. While industrial expansion may, under certain circumstances, depend on rail passenger service, it would appear that industry is much more concerned about rail freight service than rail passenger facilities. For this reason, and because of the ever-increasing use of automobiles in the area involved, the economic growth aspect of this case is relatively unimportant. Neither the isolated instances of poor service nor defective train equipment sustain protestants contention that petitioner has deliberately discouraged the use of these trains as part of its plan to present a plausible case for abandoning service on the line. Neither the present nor prospective traffic on the line would justify the use of expensive or ultramodern equipment on these trains. As to petitioner's failure to advertise the services of these trains, the Commission has repeatedly held that prospective patrons who must be coaxed to use a service evidently have no urgent need for it.

In the light of all these considerations, and for reasons hereinbefore stated, the conclusion is warranted that the continued operation of trains 13 and 14 would constitute a wasteful service and would impose an unjust and undue burden upon the interstate operation of petitioner and upon interstate commerce.

At the hearing, employees of petitioner whose jobs may be adversely affected as a consequence of the discontinuance herein requested that appropriate employee-protective conditions be imposed in the event the trains are discontinued. Although the 10 operating employees on the trains will be entitled to other jobs with equal or better pay, other employees with less seniority may be furloughed, or [fol. 38] temporarily displaced. Three station employees and 2 pullman employees may also be furloughed. For reasons expressed in *Missouri Pacific Railroad Company Discontinuance of Passenger Service*, 312 I.C.C. 105, the examiner concludes that there is no authority under section 13a(2) for the imposition of conditions for the protection of employees adversely affected by the discontinuance of

intrastate trains. It is recognized, however, that the probable adverse effect which the discontinuance of service would have upon employees is a factor to be considered in determining public convenience and necessity. In the instant proceeding such probable adverse effect does not afford a sufficient basis, when considered in connection with all of the facts hereinbefore discussed, to justify the continued operation of the trains.

Contentions of the parties as to either fact or law not specifically discussed herein have been given consideration and found to be without material significance or not justified.

In consideration of the petition here, the evidence adduced at the hearing, the contentions of the parties, and being fully advised in the premises, the examiner is of the opinion and finds that present and future public convenience and necessity permit the Southern Railway Company to discontinue the operation of its passenger trains Nos. 13 and 16 between Greensboro and Goldsboro, N. C., and that the continued operation thereof would constitute an unjust and undue burden upon petitioner's interstate operations and upon interstate commerce.

In view of the findings herein, the examiner recommends that the attached order granting the petition be entered.

By Wm. J. Gibbons; Hearing Examiner.

/s/ Wm. J. GIBBONS
(Signature) Wm. J. Gibbons

[fol. 39]

APPENDIX A TO EXHIBIT 1**Finance Docket No. 21563**

**SCHEDULES OF TRAINS NOS. 13 AND 16
OPERATING BETWEEN GREENSBORO AND
GOLDSBORO AND POPULATIONS OF
COMMUNITIES SERVED.**

Read Down				Read Up		
Daily	16	Miles	Pop.	Daily	13	
	A			P		
6M10	.0	Lv.	Greensboro	119,574	Ar.	7M50
f 6:22	8.0		McLeansville	300*	f	7:25
6:30	14.7		Gibsonville	1,784	f	7:16
6:34	16.7		Elon College	1,284	f	7:10
6:50	21.4		Burlington	33,199		7:02
f 6:53	23.1		Graham	7,723	f	6:42
6:57	25.8		Haw River	1,410	f	6:38
7:10	31.7		Mebane	2,364		6:32
f 7:20	37.0		Elfland	600*	f	6:21
7:25	40.9		Hillsboro	1,349		6:15
f 7:35	46.4		Glenn	n. s.*	f	6:06
7A55	55.0	Ar.	Durham	78,302	Lv.	5P55
8M10	55.0	Lv.	Durham		Ar.	5M55
f 8:32	68.7		Morrisville	222	f	5:19
8:39	72.8		Cary	3,356		5:14
8A55	81.1	Ar.	Raleigh	93,931	Lv.	5P00
9M10	81.1	Lv.	Raleigh		Ar.	4M30
f 9:18	86.9		Garner	3,451		4:20
9:30	96.1		Clayton	3,302		4:07
f 9:39	103.7		Wilsons Mills	280	f	3:57
10A00	109.2	Ar.	Selma	3,102	Lv.	3P50
10M00	109.2	Lv.	Selma		Ar.	3M50
f 10:08	111.9		Pine Level	833	f	3:30
10:18	117.7		Princeton	948		3:23
f 10:25	123.7		Rose	n. s.*	f	3:15
10A45	129.1	Ar.	Goldsboro	28,873	Lv.	3P05
	M					M.

f—Flag stop.

n. s.—No population shown.

Source:

Southern Railway System Passenger Train Schedules, folder dated October 30, 1960. Population figures taken from Final 1960 Census, U.S. Bureau of the Census except that those marked with an asterisk * were obtained from Rand McNally Commercial Atlas & Marketing Guide, 91st. Edition, 1960.

[fol. 40]

APPENDIX B TO EXHIBIT 1

Finance Docket No. 21563

PASSENGERS HANDLED ON TRAIN 13

	On	D/A*	Off	D/A*
Goldsboro, N.C.	989	2.7	—	—
Rose, N.C.	1	—	2	—
Princeton, N.C.	75	.2	130	.4
Pine Level, N.C.	18	+	18	—
Selma, N.C.	340	.9	201	.5
Wilsons Mills, N.C.	29	.1	23	.1
Clayton, N.C.	124	.3	17	—
Garner, N.C.	57	.2	6	—
Raleigh, N.C.	826	2.3	371	1.0
Cary, N.C.	25	.1	70	.2
Durham, N.C.	2929	8.0	453	1.2
Glenn, N.C.	1	—	53	.1
Hillsboro, N.C.	51	.1	266	.7
Efland, N.C.	—	—	12	—
Mebane, N.C.	117	.3	38	.1
Haw River, N.C.	1	—	12	—
Graham, N.C.	4	—	3	—
Burlington, N.C.	1464	4.0	156	.4
Elon College, N.C.	17	—	57	.2
Gibsonville, N.C.	8	—	140	.4
Greensboro, N.C.	—	—	5048	13.8
Total	7076	19.3	7076	19.3

*—Daily Average

[fol. 41]

APPENDIX C TO EXHIBIT 1

Finance Docket No. 21563

PASSENGERS HANDLED ON TRAIN 16

	On	D/A*	Off	D/A*
Greensboro, N.C.	5,101	13.9	—	—
McLeansville, N.C.	—	—	2	—
Gibsonville, N.C.	3	—	17	—
Elon College, N.C.	19	.1	51	.1
Burlington, N.C.	112	.3	1,275	3.5
Graham, N.C.	4	—	4	—
Haw River, N.C.	4	—	25	.1
Mebane, N.C.	68	.2	63	.2
Efland, N.C.	14	—	2	—
Hillsboro, N.C.	127	.3	58	.2
Glenn, N.C.	14	—	4	—
Durham, N.C.	775	2.1	2,712	7.4
Morrisville, N.C.	—	—	4	—
Cary, N.C.	14	—	13	—
Raleigh, N.C.	667	1.8	1,274	3.5
Garner, N.C.	49	.1	17	—
Clayton, N.C.	174	.5	374	1.0
Wilsons Mills, N.C.	4	—	30	.1
Selma, N.C.	147	.4	343	.9
Pine Level, N.C.	26	.1	20	.1
Princeton, N.C.	378	1.0	133	.4
Goldsboro, N.C.	—	—	1,279	3.5
Total	7,700	21.0	7,700	21.0

*—Daily Average

[fol. 42]

APPENDIX D TO EXHIBIT 1

Finance Docket No. 21563

Operating Results of Passenger Trains 13 and 16 between
Greensboro, N. C. and Goldsboro, N. C. Year 1960*Revenues:*

Passenger	\$ 21,135
Express	31,630
Miscellaneous	336
Total Revenues	\$ 53,101

Direct Expenses:

Wages, Train and Engine Crews	\$ 89,182
Payroll Tax	5,250
Train Fuel	11,244
Injuries to Persons	500
Damage to Live Stock on R/W	50
Pullman Co. Net Loss	4,226
Engine House Expenses	1,590
Passenger Locomotive Lubricants	1,816
" Other Suppl.	372
" Repairs	21,586
" Train Cars—CHLW & Icing	7,164
" " " Lubricants	447
" " " Other Exps.	942
" " " Repairs	13,692
" " " Air Cond.	5,060
Goldsboro Union Station	6,940
Rental of Equipment	681
Total Direct Expenses	\$170,742
Direct Expenses of Excess Revenues	\$117,641

[fol. 43]

Recommended by Wm. J. Gibbons,
Hearing Examiner.

/s/ Wm. J. Gibbons

(Signature) Wm. J. Gibbons

ORDER

At a Session of the INTERSTATE COMMERCE COMMISSION, Division 3, held at its office in Washington, D. C. on the day of A. D. 1961.

Finance Docket No. 21563

SOUTHERN RAILWAY COMPANY DISCONTINUANCE OF SERVICE BETWEEN GREENSBORO AND GOLDSBORO, N. C.

Investigation of the matters and things involved in this proceeding having been referred to and heard by the Hearing Examiner, who has made and filed a report containing his findings of fact and conclusions thereon, which report is made a part hereof, and said proceeding having been duly submitted;

It is ordered, That protestants' motions to dismiss the proceeding be, and they are hereby overruled.

It is further ordered, That the petition of the Southern Railway Company to discontinue the operation of the passenger trains specified in the aforesaid report be, and it is hereby granted.

It is further ordered, That the authority herein granted shall not be exercised prior to the date of service of an order adopting this order as the order of the Commission, or a notice stating that this recommended order has become the order of the Commission.

And it is further ordered, That if the authority granted herein is not exercised within one year from the effective date thereof, it shall be of no further force or effect.

By the Commission, division 3.

HAROLD D. MCCOY,
Secretary.

(SEAL)

Secretary's Certificate to foregoing paper (omitted in printing).

[fol. 44]

[File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

[Title omitted]

ANSWER OF THE UNITED STATES OF AMERICA AND THE INTER-
STATE COMMERCE COMMISSION—Filed October 22, 1962

The United States of America and the Interstate Commerce Commission, defendants in the above-entitled suit for answer to the complaint, state:

I.

Admit the allegations of paragraph 1; except that it is denied that many people in the City and County of Durham use the trains involved in the proceeding before the Commission; further denied that the operations of Research Triangle Institute require the services of said trains; and it is further denied that the officers, directors and employees of Erwin Mills, Inc., use the services of said trains.

II.

Admit the allegations of paragraph 2, except that the defendants aver that the Commission's Examiner found that:

[fol. 45] Other rail passenger service is available at 4 stations now served by trains 13 and 16. At Greensboro, 7 trains of the petitioner in each direction provide daily service, and at Raleigh 6 daily trains of the Seaboard Airline Railroad are available in each direction. The Atlantic Coast Line Railroad operates 8 passenger trains daily in each direction through Selma, and 1 train a day through Goldsboro. These trains

provide through service, including pullman accommodations, to and from, among other points, Washington, D. C., New York City, Atlanta, Ga., Birmingham, Ala., and Richmond, Va.

(Report of the Examiner in Finance Docket No. 21563, pp. 7-8, October 27, 1961). This finding adopted by the Commission, Division 3, in its report dated June 27, 1962.

III.

Admit the allegations of paragraph 3, except that defendants deny that the designated passenger trains afford the only passenger service between the named points. Defendants aver that the Commission found that there is passenger bus transportation between the named points. See page 7 of Examiner's report referred to in II above.

IV.

Admit the allegation of paragraph 4.

V.

Admit the allegations of the first sentence of paragraph 5. Neither admit nor deny the remaining allegations since they call for an opinion regarding matter not subject to the jurisdiction of the Commission.

VI.

Answering the allegations of paragraph 6 defendants admit that the Southern Railway Company is not a financially depressed railroad and that it makes a profit on its [fol. 46] total overall operation; that the passenger trains involved in this proceeding are the only passenger trains operating between Greensboro and Goldsboro. The remaining allegations are denied.

VII.

Deny each and every allegation of paragraph 7.

VIII.

Answering paragraph 8, admit the existence of a lease agreement between the North Carolina Railroad Company and the Southern Railway Company. Neither admit nor deny the remaining allegations of paragraph 8 since they call for an opinion regarding matter not subject to the jurisdiction of the Commission.

IX.

Deny each and every allegation of paragraph 9.

X.

Admit the allegation of paragraph 10.

Further answering the complaint, the defendants aver that the action of the Commission is valid and lawful in all respects. Except as expressly admitted herein, defendants deny each and all of the allegations in said complaint to the extent that they are inconsistent with the averments of this answer and with the order of the Commission dismissing the complaint.

WHEREFORE the United States of America and the Interstate Commerce Commission pray that the relief prayed for in the complaint be denied and that the complaint be dismissed, and that costs be assessed against the plaintiffs.

Robert W. Ginnane, General Counsel;

H. Neil Garson, Associate General Counsel, Interstate Commerce Commission, Washington 25, D. C.;

Attorneys for the Interstate Commerce Commission.

[fol. 47] Lee Loevinger, Assistant Attorney General;

John H. D. Wigger, Attorney, Department of Justice, Washington 25, D. C.;

William H. Murdock, United States Attorney, Greensboro, North Carolina;

Attorneys for the United States of America.

Certificate of Service (omitted in printing).

[fol. 48]

BEFORE THE INTERSTATE COMMERCE COMMISSION

Finance Docket No.

Petition of Southern Railway Company under Section 13a(2) of the Interstate Commerce Act for authority to discontinue the operation of Trains Nos. 13 and 16 between Greensboro and Goldsboro, North Carolina.

PETITION—Filed April 6, 1961

Comes now Southern Railway Company, a carrier by railroad, subject to Part I of the Interstate Commerce Act, and respectfully requests that the Commission issue an order under Section 13a(2) of the Interstate Commerce Act authorizing the discontinuance of the operation of its Trains Nos. 13 and 16 between Greensboro and Goldsboro, North Carolina, and in support thereof shows pursuant to the Commission's rules that:

I.

A description of the trains proposed to be discontinued including the name of each station, depot, or facility affected thereby, and the termini between which the trains operate is attached hereto as Exhibit 1, a timetable of the operation of Trains Nos. 13 and 16, which shows the designation of the trains by number, the stations along the route served, time of departure from each station and the time of arrival [fol. 49] at and departure from termini. This exhibit also shows the rail mileage distance from Greensboro to each of the other stations on the line and, with the exception of the small flag stop communities of Glenn and Rose, the population of each station. The communities of Glenn and Rose had no record of population in either the final 1960 Federal Census Report nor in the Rand McNally Commercial Atlas and Marketing Guide for the year 1960.

II.

Statement in Relation to Proposed Discontinuance of Trains

1. The exact corporate name and general office address of petitioner are:

Southern Railway Company
P. O. Box 1808
Washington 13, D. C.

2. The name, title and the office address of counsel to whom correspondence in regard to the petition should be addressed are:

Arthur J. Dixon
General Attorney
P. O. Box 1808
Washington 13, D. C.

3. A complete description of the present service of the trains involved and of the discontinuance or change of operation or service proposed is as follows:

[fol. 50] Petitioner presently operates Trains Nos. 13 and 16 daily between Greensboro and Goldsboro with a five man crew and with a regular consist of a 1500 horsepower road switcher, a passenger coach and a combine car for passengers, baggage and express. Between Greensboro and Raleigh a sleeping car with roomettes and bedrooms is handled on these trains with a two-man Pullman company crew. The passenger carrying equipment is safe, modern, air-conditioned, has all the usual conveniences and is adequate in all respects for the use to which it is put.

The train crew has been reduced by the elimination of a porter and the consist by an express car, which formerly operated over the entire distance, and a box car handling express from Greensboro to Burlington.

The trains provide rail passenger service to and from and between the stations along the route shown in red coloring on the attached map, marked Exhibit 2. Train No. 16, operating in a generally southeasterly direction, is scheduled to leave Greensboro at 6:10 a.m. and to arrive at Goldsboro at 10:45 a.m. Train No. 13, operating in a generally northwesterly direction, is scheduled to leave Golds-

boro at 3:05 p.m. and to arrive at Greensboro at 7:50 p.m. The rail distance in each direction is 129.1 miles. These trains handle passengers, baggage and express traffic of the REA Express Agency, Inc. These trains also handle a Pullman sleeping car between Raleigh and Greensboro which, in turn, is handled on other passenger trains of petitioner between Greensboro and Washington and on passenger trains of the Pennsylvania Railroad between Washington and New York, in connection with through sleeping [fol. 51] car service between Raleigh and New York. No United States mail has been handled on these trains since September 14, 1957, when the Post Office Department cancelled the transportation of mail by these trains and thenceforth arranged handling of the mail by highway trucks in line with a practice that had become apparent in this area several years previously. Revenues from the transportation of U. S. Mail up to that time had constituted a very important part of the total income earned by Trains Nos. 13 and 16.

Petitioner proposes to discontinue Trains Nos. 13 and 16 entirely and, coincident therewith, to discontinue the operation of the Pullman sleeping car between Greensboro and Washington, D. C. Other passenger trains of petitioner provide adequate daily through Pullman sleeping car service between Greensboro, points south and west thereof and Washington and New York and intermediate points. This service is also available at Greensboro to many of the nearby communities now served by Trains 13 and 16 east of Greensboro.

4. Petitioner seeks authority of this Commission to permanently discontinue the operation of Trains Nos. 13 and 16 for the reasons that the direct expenses of operating them far exceed the revenues produced by the trains, the public generally has abandoned them in preference to other means of travel, all the mail and much of the express formerly transported by these trains has been shifted to over the highway vehicles by the U. S. Post Office and the REA Express Inc., and there is no reasonable prospect of their serving a public need or of their overcoming the great loss incurred to provide the service.

Southern Railway has sustained a wholly distributed [fol. 52] passenger deficit which is shown for the years, 1948-1960 on Exhibit 3. In 1960, this deficit was \$14,669,798 computed by the Interstate Commerce Commission accounting rules. Trains Nos. 13 and 16 contribute substantially to this deficit, and despite the provision of safe, modern railroad passenger facilities in an area which is described as having enjoyed a population and commercial growth in recent years, the public patronage of the trains has progressively declined.

Exhibit 4 attached hereto shows the populations of the several counties traversed by Trains Nos. 13 and 16 as compared with the population of the State of North Carolina and the United States as a whole. It will be noted that between the periods 1950-1960, gains were registered in six of the seven counties. The population of Johnston County decreased by 4.5 percent in the ten year period, while in the remaining six counties, increases ranged from 10.2 percent in Durham County to 29.0 percent in Guilford County. The average population per square mile ranges from a low of 79.1 per square mile in Johnston County to a high of 378.6 per square mile in Guilford County, which is only slightly higher than Durham County with 374.5 per square mile. The average population per square mile for the seven counties is 200.4 as compared with the average for the State of North Carolina of 92.7 per square mile and the United States as a whole of 50.5 persons per square mile. The overall population gain in the seven counties was 20.5 [fol. 53] percent, as compared with the State of North Carolina of 12.2 percent and the United States as a whole of 18.5 percent for the period 1950-1960.

As may be noted from Exhibit 4, twenty-one of the twenty-three communities served by Trains Nos. 13 and 16 have a total population of 386,087 (Glenn and Rose have no known recorded populations). Four of these twenty-one communities (Greensboro, Raleigh, Selma and Goldsboro) with a total population of 245,480, or 63.6 percent of the overall total of 386,087, have other daily rail passenger service available in those communities.

Eleven of the remaining communities are located within from four to fifteen miles of other rail passenger service.

These communities account for 15,760, or 4.1 percent of the total population, and the highway miles to nearest other rail passenger service are shown in parentheses: Bate Level (4), Rose (6), Wilson Mills (5), Garner (6), McLeansville (8), Cary (9), Clayton (12), Princeton (12), Morrisville (14), Gibsonville (15), and Elon College (15).

Four of the remaining communities account for 120,634, or 31.3 percent of the total population, and these communities are located from twenty-one to twenty-three miles distant from other cities where daily rail passenger service is [fol. 54] available. These four with highway distances to other cities having rail passenger service in parentheses are: Burlington (21), Graham (21), Durham (23), and Haw River (23).

The remaining four communities are located within from twenty-seven to thirty-seven miles from nearest cities or towns having rail passenger service. These four account for 4,483, or approximately 1 percent of the total population and are highway distances to other cities with rail passenger service as shown in parentheses: Mebane (27), Glenn (32), Efland (35) and Hillsboro (37).

All communities except the communities of McLeansville, Glenn* and Rose have daily common carrier bus service directly available. These communities are located on black-topped roads of from approximately $\frac{1}{2}$ mile at Glenn to approximately 1.5 miles at McLeansville and one mile at Rose from main highways over which scheduled bus lines operate. It would thus appear that daily scheduled buses serve approximately 99 percent of the area served by Trains Nos. 13 and 16.

With the availability of other modes of transportation, [fol. 55] especially the private automobile, local traffic is rapidly disappearing from the rails, and on this line now consists largely of occasional movements by special groups travelling short distances.

Exhibit 5 attached hereto shows the ratio of persons per registered passenger automobile in the several counties traversed by Trains Nos. 13 and 16 compared with the

* Glenn was formerly station for University of North Carolina which is now served by buses to and from Chapel Hill.

average for the State of North Carolina. It will be noted that the range is from a low of one passenger automobile for every 3.9 persons in Orange County to a high registration of one passenger automobile for every 2.6 persons in Guilford and Alamance Counties. The average for the seven counties is one registered passenger automobile for every 2.9 persons as compared with an average for the State of North Carolina as a whole of one registered passenger automobile for every 3.3 persons. It is thus apparent that the average ratio of registered passenger automobiles to population in the seven county area is better than one automobile per family.*

Exhibit 6 attached hereto shows the ratio of persons to registered passenger automobiles in the principal cities and towns of the seven counties traversed by Trains Nos. 13 and 16. Chapel Hill, in Orange County, is the only city [fol. 56] listed that is not directly served by Trains Nos. 13 and 16. It will be noted from this exhibit that the ownership of registered passenger automobiles in the principal cities served by Trains Nos. 13 and 16 is quite high, with an average registration of one passenger automobile for every 2.1 persons in those cities and towns as compared with an average for the seven counties of one registered passenger automobile for every 2.9 persons and an average for the State of North Carolina as a whole of one registered passenger automobile for every 3.3 persons, as shown by Exhibit 5.

Interest in long distance rail travel has become largely limited to a few persons from Durham who claim they dislike air travel.

In the prevailing circumstances, which include the high incidence of private vehicles shown above as well as the availability of other common carrier service shown below, the population, which formerly would support much railroad passenger service no longer will support Trains Nos. 13 and 16 and continuance of the operation at the huge loss indicated serves no public need, constitutes an economic waste which deprives petitioner of its property and casts

* According to the U. S. Census Bureau, the average family in the U. S. based upon the 1960 Census, consisted of 3.68 persons.

a burden on interstate operations of the petitioner and commerce generally.

[fol. 57] 5. The names of all railroads interchanging passengers with the subject trains and the points of such interchange are listed below and are illustrated by reference to Exhibit 7, which is a map showing possible points of interchange of passengers between Trains Nos. 13 and 16 and rail passenger trains of other rail lines at Raleigh, Selma and Goldsboro as well as petitioner's other rail passenger trains through Greensboro, N. C. As indicated on this exhibit, possible points of interchange are:

- (1) *At Greensboro*: With other passenger trains of Southern Railway Company operating between Washington and Atlanta, Birmingham and New Orleans, and between Greensboro, Winston-Salem and Asheville.
- (2) *At Raleigh*: With passenger trains of the Seaboard Air Line Railroad operating between Richmond, Virginia and Florida points, and between Richmond, Virginia, Atlanta and Birmingham, and between Portsmouth, Virginia and Raleigh.
- (3) *At Selma, N. C.*: With Atlantic Coast Line Railroad passenger trains operating between Richmond, Virginia and Florida points.
- (4) *At Goldsboro, N. C.*: With Atlantic Coast Line Railroad trains operating between Rocky Mount, N. C. [fol. 58] and Wilmington, N. C., connecting with other passenger trains of the Atlantic Coast Line Railroad at Rocky Mount operating between Richmond and Florida points.

Interchange of passengers between Trains Nos. 13 and 16 and other rail lines at Raleigh, Selma or Goldsboro is negligible. There is some interchange of passengers at Greensboro between petitioner's other passenger trains and Trains Nos. 13 and 16. The New York-Raleigh sleeping car (handled on Trains Nos. 13 and 16 between Greensboro and Raleigh) is coupled on and off other passenger trains of

petitioner (operating between Greensboro and points south and west thereof and Washington) at Greensboro. Pullman passengers from or to points south or west of Greensboro detraining at Greensboro and all coach passengers to or from other trains detraining and board Trains Nos. 13 and 16 at Greensboro.

6. A description of other common carrier service, including service of the subject carrier, of the same kind rendered by the trains involved, between and at the points described in the petition and other common carrier service available in the immediate territory follows:

Trains Nos. 13 and 16 are the last of three pairs of passenger trains formerly operated by petitioner on the Greensboro-Goldsboro line. Discontinuance of the other two pairs of trains formerly operating on this line were authorized by the North Carolina Utilities Commission following application to and formal hearings held by that Commission. Trains Nos. 21 and 22 were discontinued on September 3, 1954, and Trains Nos. 111 and 112 were discontinued May 2, 1958.

While Trains 13 and 16 are the last trains offering rail passenger service between certain intermediate points on the line, north-south rail passenger service is available by other passenger trains at four communities served by Trains Nos. 13 and 16 (Greensboro, Raleigh, Selma and Goldsboro).

Attached hereto as Exhibit 8 is a timetable showing the operation by petitioner of five daily passenger trains in each direction through Greensboro. All five of these trains in each direction handle coaches between Greensboro and points south thereof and Washington, D. C. Four of these five trains in each direction handle Pullman sleeping cars between such points as New Orleans-Washington and New York; New Orleans-Birmingham-Atlanta-Washington-New York; Augusta-Columbia-Washington and New York; Asheville-Washington-New York; Winston-Salem-Washington and New York and between Greensboro-Washington and New York. Trains Nos. 47 and 48 handle through coaches between New York and New Orleans; Washington and [fol. 60] New Orleans; Washington-Birmingham and between New York and Birmingham.

Attached hereto as Exhibit 9 is a timetable showing the operation by petitioner of two trains daily in each direction between Greensboro, Winston-Salem and Asheville. Trains Nos. 15 and 16 handle Pullman sleeping cars (between Greensboro and Asheville) and Train No. 21 handles a Pullman sleeping car (Greensboro-Winston-Salem) in connection with through sleeping car service between New York and other Eastern cities and Greensboro and Winston-Salem. (This sleeping car returns on Train No. 16 to Greensboro.) All of these trains handle coaches between Greensboro and Asheville and Train No. 22 (Asheville-Greensboro) handles coaches only. Trains Nos. 21 and 22 also connect with other trains of petitioner at Asheville, operating between Charleston and Cincinnati.

Attached hereto as Exhibit 10, is a timetable showing schedules of Seaboard Air Line Railroad passenger trains through Raleigh. Four of these trains in each direction provide through service between New York, Washington and Florida points.

Attached hereto as Exhibit 11 is a timetable showing the operation of Seaboard Air Line trains through Raleigh. In connection with consolidations at Hamlet with New York-Florida trains, three schedules are offered daily in each direction between New York, Washington, Richmond, Atlanta and Birmingham. Trains 33 and 34 handle sleeping [fol. 61] cars and coaches while Trains Nos. 3 and 4 and Trains Nos. 5 and 6 handle coaches only. This exhibit also shows the schedules of Seaboard Air Line Railroad Trains Nos. 17 and 18, operating between Raleigh and Portsmouth. Trains Nos. 17 and 18 handle sleeping cars and coaches in through service between Jacksonville and Portsmouth and Atlanta and Portsmouth.

As is shown by Exhibit 12 attached hereto, the Atlantic Coast Line Railroad operates five trains daily in each direction through Selma, N. C. (two in each direction do not stop at Selma). Four of these trains in each direction provide through sleeping car and coach service between New York, Washington and Florida points. Trains Nos. 375 and 376 handle coaches only.

As is shown by Exhibit 13 attached hereto, the Atlantic Coast Line Railroad operates one train daily in each direc-

tion between Wilmington, N. C. and Rocky Mount, N. C., via Goldsboro, in connection with through Pullman sleeping car service between Wilmington, Washington and New York. These trains handle coaches between Wilmington and Rocky Mount and through coach passengers to and from points north of Rocky Mount board or detrain from connecting trains of the Atlantic Coast Line at Rocky Mount handling through coaches to and from Washington and New York and between those points and Florida points.

[fol. 62] Exhibit 14 attached hereto shows that the Carolina Trailways operate 15 bus schedules daily in each direction between Greensboro, Durham and Raleigh. Thirteen of these schedules in each direction (with one additional westbound schedule daily) also serve Burlington. Eight of the fifteen schedules daily in each direction also serve Graham (with one additional schedule daily eastbound); five of the fifteen daily schedules in each direction serve Gibsonville and Elon College; four of the fifteen daily schedules in each direction also serve Haw River, Mebane, Elizabethtown and Hillsboro (with one additional schedule eastbound through those communities). Three of the fifteen daily schedules in each direction also serve Morrisville and Cary. A number of additional bus schedules operate daily except Sundays and holidays between Raleigh and Durham. It will be noted that of the fifteen daily schedules in each direction between Greensboro and Raleigh, ten eastbound and nine westbound schedules operate in express service between such points as Norfolk-Birmingham and Dallas, Tex.; Norfolk-Charlotte; Norfolk-Memphis; Norfolk-Denver; Raleigh-Oklahoma City; Beaufort-Asheville; Norfolk-Atlanta; Norfolk-Montgomery-Dallas; Raleigh-Asheville-New York and Raleigh-Atlanta.

Exhibit 15 attached hereto shows the Atlantic Greyhound Lines operating seven schedules daily in each direction between Raleigh and Goldsboro. Six of these seven schedules [fol. 63] in each direction serve Clayton, Selma, Pine Level and Princeton as intermediate points. Three of the seven schedules daily in each direction serve the intermediate point of Wilsons Mills. Of these seven daily schedules buses in each direction, it will be noted, that the operations are not limited to competition with Trains Nos. 13 and 16 be-

tween Raleigh and Goldsboro and the intermediate points. Four south (eastbound) buses operate in through service between such points as Raleigh-Savannah; Cincinnati-Beaufort; Winston-Salem-Wilmington, N. C. and Detroit to Goldsboro. Four north (westbound) buses operate between such points as Wilmington, N. C. to Detroit; Beaufort, N. C. to Cincinnati; Wilmington, N. C. to Winston-Salem and Savannah to Raleigh.

Attached hereto as Exhibit 16 is a timetable showing (at Table 8110) the schedules of Trailways System buses. One through bus is operated daily New York to Jacksonville via Raleigh; one through bus is operated daily New York to Atlanta via Raleigh; one through bus is operated daily New York to Tampa via Raleigh; one through bus is operated daily Philadelphia to Myrtle Beach via Raleigh; three buses are operated daily Boston to Raleigh; one bus is operated daily New York to Raleigh for connections at Raleigh with buses for Fayetteville and Augusta, Ga., and Jacksonville. In the reverse direction, the Trailways Bus System operates [fol. 64] one through bus daily Miami to New York via Raleigh; one through bus daily Jacksonville to New York via Raleigh; one through bus daily Durham to Boston via Raleigh; one through bus daily Fayetteville to New York via Raleigh; one through bus daily Chapel Hill to Boston via Raleigh; two buses daily Raleigh to New York and one bus daily Raleigh to Boston. Other daily schedules show two buses Dallas to Raleigh; one bus Anderson to Raleigh; one bus Dallas to Norfolk via Raleigh and one bus from Columbus to Raleigh.

Exhibit 17 attached hereto at Table 8022 shows the Trailways Bus System operates via Raleigh, Durham, Chapel Hill, Burlington and Greensboro the following through bus service:

- One daily—Norfolk-Raleigh-Chattanooga, Memphis and Denver
- One daily—Raleigh-Salisbury
- One daily—Raleigh-Asheville
- One daily—Raleigh-Chattanooga-Memphis and Oklahoma City
- Two daily—Norfolk-Salisbury
- One daily—Norfolk-Knoxville and Memphis,

and in the reverse direction:

- One daily—Knoxville-Norfolk
- One daily—Denver-Memphis-Knoxville-Norfolk
- Four daily—Salisbury-Norfolk
- One daily—Salisbury-Raleigh
- One daily—Asheville-Raleigh
- One daily—Memphis-Chattanooga-Norfolk

[fol. 65] Attached hereto as Exhibit 18 is a timetable showing the bus schedules operated by the Seashore Transportation Company and connecting bus lines. At Table 3425 of this exhibit it will be noted that the Seashore Transportation Company, in conjunction with Trailways and Greyhound Lines, operates one through bus daily in each direction between Cincinnati, Ohio and Beaufort, N. C., via Greensboro, Raleigh and Goldsboro; one through bus daily, Charlotte to Beaufort via Greensboro, Raleigh and Goldsboro; one through bus daily, Beaufort to Asheville via Goldsboro, Raleigh and Greensboro. The Seashore Transportation Company operates other daily schedules between Goldsboro and Rocky Mount, N. C. and between Goldsboro and Beaufort, N. C.

Among other bus service in the general area served by Trains Nos. 13 and 16, the Queen City Trailways operates one bus daily in each direction between Durham and Wilmington, N. C. via Chapel Hill and Fayetteville. Queen City Trailways also operates one bus daily in each direction between Raleigh and Myrtle Beach, S. C. via Garner as part of through Philadelphia-Myrtle Beach service.

The Carolina Trailways operate two buses daily in each direction between Raleigh and Charlotte via Cary, with connections at Raleigh with buses from and to Norfolk or Richmond and connections at Charlotte for Atlanta or Asheville.

As is shown by Exhibits 14, 15, 16, 17 and 18, there is [fol. 66] ample local and long distance bus service operating in the area served by Trains 13 and 16. All communities served by Trains Nos. 13 and 16 are served by daily common carrier bus service except the small communities of McLeansville, Glenn and Rose but these communities are

located only short distances off the main highways over which the scheduled buses operate as shown above at page 7.

As is shown by Exhibit 19 attached hereto, Eastern Air Lines operates daily first class flights between Raleigh-Durham Airport and a wide variety of other cities, such as New York, Washington, Philadelphia, Baltimore, Richmond, Chicago, Pittsburgh, Detroit and Atlanta, among others. This exhibit shows that Eastern Air Lines operates ten flights daily, except Saturdays and Sundays, between Raleigh-Durham Airport and New York. Eight flights operate on Saturdays and nine operate on Sundays. Six flights are operated daily, except Saturdays in the opposite direction between New York and Raleigh-Durham. Four of these flights operate on Saturdays. Eight flights are operated daily, except Saturdays and Sundays, between Raleigh-Durham Airport and Washington, D. C. Six of these flights operate on Saturdays and seven operate on Sundays. Seven flights are operated daily, except Saturdays, in the opposite direction, between Washington and Raleigh-Durham. Four of these flights operate on Saturdays. Other daily first-class flights offered at Raleigh-Durham Airport by Eastern Air Lines are: One flight daily in each direction between [fol. 67] Raleigh-Durham and Chicago. One flight daily, except Saturdays, in each direction between Raleigh-Durham, Pittsburgh and Detroit. Two flights daily to Columbia, S. C., and three flights daily in the reverse direction. Four flights daily Raleigh-Durham to Atlanta and five returning daily. Eastern Air Lines also operates from Raleigh-Durham Airport one flight daily, except Saturdays, to Chattanooga, Nashville and Louisville, with one flight returning from those cities to Raleigh-Durham daily.

As is shown by Exhibit 20, Capital Airlines offers one flight daily in each direction between New York, Raleigh-Durham, Atlanta and New Orleans.

Capital Airlines also offers one flight daily, except Saturdays, between Washington, D. C., Norfolk, Raleigh-Durham, Greensboro-High Point and Knoxville, with one flight from Knoxville in the reverse direction daily. At Knoxville connections may be made with flights to and from Huntsville, Ala.

Exhibit 21 attached hereto shows Piedmont Airlines operates one flight daily in each direction between Wilmington, N. C., Raleigh-Durham, Greensboro-High Point, Winston-Salem and Lexington, Ky. Piedmont Airlines also operates one flight daily in each direction between Fayetteville, Raleigh-Durham, Greensboro-High Point, Winston-Salem [fol. 68] and Cincinnati, Ohio. In addition, this exhibit also shows that Piedmont Airlines operates one flight daily, except Saturdays and Sundays, in each direction between New Bern, N. C.-Raleigh-Durham, Greensboro-High Point, Roanoke and Columbus, Ohio. The flight from New Bern terminates at Roanoke on Saturdays and the flight from Columbus terminates at Roanoke on Sundays.

Exhibit 22, attached hereto, shows a comparison of air line traffic handled outbound* via scheduled air lines from Greensboro-High Point and Raleigh-Durham airports between the years 1949 and 1959. It will be noted that the number of aircraft departures at Greensboro-High Point increased from 9,854 in 1949 to 12,731 in 1959, or 29.2 percent. The number of passengers departing from that airport increased from 25,479 in 1949 to 92,721 in 1959, an increase of 263.9 percent. Average number of passengers boarding departing planes increased from 2.6 per plane in 1949 to 7.3 in 1959. Air mail tons placed aboard departing planes increased by 102.3 percent in the period 1949-1959. Tons of cargo placed aboard departing planes increased by 209.1 percent in the period 1949-1959. Increases in all categories of air line traffic were also registered at Raleigh-Durham Airport between 1949 and 1959. Aircraft departures increased from 9,603 in 1949 to 11,480 in 1959, an increase of 19.5 percent. Number of passengers boarding departing planes increased from 38,791 in 1949 to 131,644 in 1959, an increase of 239.4 percent. Average number of passengers boarding each departing plane increased from four persons per plane in 1949 to 11.4 persons in 1959. Air mail placed aboard departing planes increased from 87.1 tons in 1949 to 151.8 tons in 1959, an increase of 74.3 percent. Air cargo placed aboard departing planes increased

* Records are based on revenue traffic enplaning at each airport. To avoid duplications arrival traffic is not included.

from 134.1 tons in 1949 to 361.2 tons in 1959, an increase of 169.4 percent.

Attached hereto as Exhibit 23 is a map showing highway distances from various communities in the general area served by Trains Nos. 13 and 16 to the Raleigh-Durham Airport. It will be noted that the City of Durham is located 12.5 miles from the airport and that the City of Raleigh is located 13.5 miles from the airport, both cities being accessible to the airport over U. S. Highway No. 70, a modern four-lane highway. The Raleigh-Durham Airport is also available to communities within a wide area, including a number served by Trains Nos. 13 and 16, other than Durham and Raleigh. The City of Chapel Hill is located 16.5 miles from Raleigh-Durham Airport via North Carolina State Highway No. 64 (12.5 miles) and a paved, access road (4.0) between Nelson and the airport. The Research [fol. 70] Triangle Park is located approximately six miles from the airport. Morrisville, a station served by Trains 13 and 16, is located 4.5 miles from the Raleigh-Durham Airport.

Another important commercial airport serving the general area served by Trains Nos. 13 and 16 is the Greensboro-High Point Airport which is located approximately nine miles west of Greensboro. This airport is also available to many communities within a wide area, including a number of communities served by Trains Nos. 13 and 16.

The REA Express Agency, Inc., which utilizes Trains Nos. 13 and 16 for the transportation of express traffic, also utilizes highway trucks for the transportation of express to and from a number of communities served by Trains Nos. 13 and 16. Express traffic is also handled by other passenger trains at Greensboro, Raleigh, Selma and Goldsboro.

The various bus lines operating in the area served by Trains Nos. 13 and 16, besides handling passengers and baggage, also offer a limited express service.

The air lines serving the area served by Trains Nos. 13 and 16 also, in addition to handling passengers and [fol. 71] baggage, transport air express and air cargo.

As is shown by Exhibit 2 attached hereto, the line of Southern Railway Company between Greensboro and Golds-

boro over which Trains Nos. 13 and 16 operate, is closely paralleled by U. S. Highway 70. Other U. S. and North Carolina highways parallel and intersect the line of railroad at a number of points. Practically all of the communities served by Trains Nos. 13 and 16 are located on through highways and the remainder have easy access to through highways from short distances over paved, all-weather roads. As indicated by this Exhibit 2, Federal Interstate Highway No. 85 follows the route of U. S. Highway 70 between Greensboro and a point south of the village of Efland and from that point to a point just west of Durham will be newly located. When completed, Federal Interstate Highway No. 85 is expected to shorten the highway distance between Durham and Greensboro by several miles less than the present 56-mile distance.

A comparison of the rail distances between petitioner's lines and those of rail competitors from certain stations along the route of Trains Nos. 13 and 16 and Washington, D. C. and points north thereof, is most revealing: the rail mileage via Southern Railway Company, Goldsboro to Washington, D. C. is 413 miles, whereas the distance between those points via Atlantic Coast Line Railroad-RF&P is 277.5 miles; the rail distance between Selma, N. C. and Washington via Southern Railway Co. is 393.1 miles, whereas the distance between those points via ACL-RF&P is 279.5 miles; the rail distance via Southern Railway Co., [fol. 72] Raieigh to Washington, D. C., is 365.0 miles whereas the rail distance via Seaboard Air Line Railroad-RF&P is 273.4 miles.

7. The traffic transported on the trains involved during 1959 and 1960 is shown in an on-and-off statement marked Exhibit 24 and pertinent statistics relating to the passenger use of these trains are presented in Exhibit 25 for the same two years. Exhibit 26 offers an historical account of passenger statistics on these trains from 1948 through 1960. At the time these exhibits were prepared, more recent data were not available.

Exhibit 24, consisting of four sheets, is a series of statements showing the number of revenue passengers getting on and off Trains 13 and 16 at each of the stations for the

calendar years 1959 and 1960. This information was obtained from the tickets lifted by the conductors and turned in to the Auditor of Passenger Accounts. The figures shown for Greensboro include passengers originating or continuing trips beyond Greensboro via Southern Railway, as well as those originating and terminating at Greensboro. It will be noted from the exhibit that most of the use of the trains was from the stations of Goldsboro, Raleigh, Durham and Burlington going to Greensboro and beyond. In the reverse direction, it was from beyond Greensboro and Greensboro to the same places.

Exhibit 25, consisting of two sheets, shows for the years 1959 and 1960, with respect to Trains 13 and 16, the number [fol. 73] of trips operated, trip mileage, total train miles operated, total number of revenue passengers carried, total revenue passenger miles and total passenger revenue. It may be noted that for both trains for the year 1960, the average number of passengers per trip was 20.2; average miles per passenger, 46.8; average revenue per passenger, expressed in cents, 143.036; average passenger revenue per train mile, also expressed in cents, 22.382; and the average passenger miles per train mile, 7.33. The last figure, 7.33, was the average number of passengers for the entire trip at a time when the train crew consisted of six members and the Pullman crew of two for part of the distance.

Exhibit 26 is a statement of the traffic statistics for Trains 13 and 16 for the years 1948 through 1960. It shows the number of trips, the number of revenue passengers, the passenger revenue, the average number of revenue passengers per trip and the average passenger revenue per trip. It may be noted that the number of passengers decreased in this period from 56,739 to 14,776, or 73.96 percent. The passenger revenue decreased from \$60,534 to \$21,135, or 65.09 percent. The average number of passengers per trip decreased from 77.51 to 20.19, or 73.95 percent. The average passenger revenue per trip decreased from \$82.70 to \$28.87, or 65.09 percent.

8. The financial results of operating the trains involved during 1959-1960, segregated by trains, are shown on Ex-[fol. 74] hibits 27 and 28. Exhibit 29 shows the feeder value of the trains sought to be discontinued to the Southern

Railway System for the same years. Later figures were not available at the time of preparing this petition.

Exhibit 27 is the operating results for Trains 13 and 16 for the year 1959. This is a single sheet exhibit which has been prepared in the same manner, explained below, as the following exhibit marked "28", except that the showings on 27 are in total rather than by individual months and the detailed schedules, attached to No. 28, have not been appended to Exhibit 27. For the year 1959, the expenses of operating Trains 13 and 16 exceeded the revenue in the amount of \$122,837.

Exhibit 28, consisting of 10 schedules, covers the operations of Trains 13 and 16 for the year 1960. The revenues and expenses are computed in accordance with the requirements of the National Association of Railroad and Utilities Commissioners' formula. This formula was recommended by the NARUC September 23, 1953, and has been used by our company and other carriers in passenger train hearings before the various state regulatory bodies. For the year 1960, the expenses exceeded the revenues in the amount of \$117,641 or it cost the Company \$3.22 to earn a revenue dollar. The items of revenues and expenses shown on Exhibit 28 are explained as follows:

[fol. 75] *Operating Revenues*

(1) A/C 102—Passenger

Tickets lifted by conductor are punched into IBM cards showing station to station, class of passage and other information. These cards are processed through the computer, which is programmed to compute the passenger revenue based on authorized rate for class of passage.

(2) A/C 107—Express

Revenue per carfoot mile for the company was developed by dividing total revenue received from the REA by the total carfoot miles. The resulting revenue per carfoot mile was applied to the carfoot miles applicable to Trains 13 and 16.

(3) A/C 108—Miscellaneous

Represents revenues received for the handling of newspapers and movement of terminal cases.

Expenses

(1) A/C 392-401—Wages of train and engine crews

From time returns of the members of the crews operating these trains plus vacation allowances.

(2) A/C 532—Payroll taxes

Payments made to the railroad retirement board for retirement and unemployment benefits for the members of the crews.

(3) A/C 394—Train Fuel

Actual consumption of fuel by these trains was determined by a fuel test and this consumption applied to the company average cost per gallon.

(4) A/C 420—Injuries to Persons

Actual payments made to persons injured in the operation of these trains.

[fol. 76]

(5) A/C 417—Damage to Live Stock on Right-of-Way

Actual payments made for damage caused by operating Trains 13 and 16.

(6) A/C 403—Pullman Company Net Loss

This represents the excess of expenses over revenues for this line as billed by the Pullman Company. The line operates from Washington, D. C. to Raleigh, N. C., and the figure shown is the proportion applicable to Trains 13 and 16 between Greensboro and Goldsboro.

(7) Locomotive Expenses—

A/C 400—Engine House

A/C 398—Lubricants

A/C 399—Other Supplies
A/C 311—Repairs

The average cost per diesel unit mile for the Company was determined for each of these items and these unit costs applied to the diesel unit miles operated in Trains 13 and 16.

(8) Passenger Car Expenses—

A/C 402—CHLW & Icing
A/C 402—Lubricants
A/C 402—Other Expenses
A/C 402—Air Conditioning
A/C 317—Repairs

The average cost per passenger car mile for the company was determined for each of these items and this cost applied to the car miles made by trains 13 and 16. In our accounting procedure Acct. 402—"Train Supplies & Expenses" is broken down between CHLW cars, lubricants, other expenses and air conditioning.

(9) Joint Facility Expenses

This represents the savings that would have been made had Trains 13 and 16 not operated during this period. Total expenses at Goldsboro Union Station apportioned to the user roads on the basis of the number of cars in and out of the station for each road.

[fol. 77]

(10) Rental of Equipment

Payment made to foreign lines for use of passenger equipment; no payment made to Southern System lines are included.

Exhibit 29 is a statement for the years 1959 and 1960 of the revenue accruing to the Southern Railway System for the off-line portion of the trips made by passengers using Trains 13 and 16. These revenues have been reduced by the amount of 50 percent, representing an estimate of the cost of producing the revenue accepted by this Commission in abandonment and discontinuance cases. In the pres-

ent instance, the usual expenses of producing and transporting passengers could be augmented by the Pullman net loss on the line between Greensboro and Washington (\$14,794 in 1960) which must be paid by Southern Railway since in the event of discontinuance of Trains 13 and 16, the Pullman car would be removed over the entire distance between Washington and Raleigh, other Pullman service being adequate for the main line trains between Greensboro and Washington.

9. Exhibit 30 is the balance sheet of the Southern Railway Company as of December 31, 1960, and is taken from the Company's Annual Report to the Interstate Commerce Commission.

Exhibit 31 is the Southern Railway Company income account for the years 1959 and 1960 as reported to the [fol. 78] I.C.C. A statement for any portion of the current year was not available at the time of preparing this petition.

10. Attached hereto and marked Exhibit 2 is a map setting forth in red coloring the line of railroad over which Trains Nos. 13 and 16 operate between Greensboro and Goldsboro, inclusive, which shows the geographic situation of the line. All stations served by Trains Nos. 13 and 16 are shown on this map.

III.

Application for discontinuance of Trains Nos. 13 and 16 was filed with the North Carolina Utilities Commission on July 8, 1959. Following a hearing on October 6-9, 1959, that Commission issued its order dated January 20, 1960, which, with one dissenting opinion, denied the application. Subsequently, the order of the Commission was upheld in the Superior Court of Wake County and the Supreme Court of North Carolina.

Filed only with the original of this petition to the Interstate Commerce Commission is a copy of the record made before the North Carolina Utilities Commission, including copies of the application to the North Carolina Utilities [fol. 79] Commission, transcript of oral hearing and decisions and orders.

For the convenience of this Commission there is also filed only with the original of this petition copies of the orders of the Superior Court of Wake County and of the North Carolina Supreme Court.

Wherefore, petitioner respectfully prays that this Commission issue an order under Section 13a(2) of the Interstate Commerce Act authorizing Southern Railway Company to permanently discontinue the operation of its passenger Trains Nos. 13 and 16 between Greensboro and Goldsboro; North Carolina.

Southern Railway Company, By: D. W. Brosnan,
P. O. Box 1808, Washington 13, D. C.

April , 1961.

[fol. 80]

Certificate

D. W. Brosnan hereby certifies that he is Executive Vice President of Southern Railway Company, Petitioner herein; that he has been authorized by proper corporate action on the part of such Petitioner to execute and file with the Interstate Commerce Commission the foregoing Petition; that he has carefully examined all of the statements referred to in said Petition and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth therein; and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information and belief.

D. W. Brosnan

Dated this day of April, 1961.

SOUTHERN RAILWAY COMPANY

SCHEDULES OF TRAINS NOS. 13 AND 16 OPERATING
BETWEEN GREENSBORO AND GOLDSBORO

<u>Read Down</u>			<u>Read Up</u>
<u>Daily</u>			<u>Daily</u>
<u>16</u>	<u>Miles</u>	<u>Pop.</u>	<u>13</u>
	.0	Lv. Greensboro....	Ar. 7M50
f 6:22	8.0	McLeansville..	f 7:25
6:30	14.7	Gibsonville ..	f 7:16
6:34	16.7	Elon College..	f 7:10
6:50	21.4	Burlington....	7:02
f 6:53	23.1	Graham.....	f 6:42
6:57	25.8	Haw River.....	f 6:38
7:10	31.7	Mebane.....	6:32
f 7:20	37.0	Efland.....	f 6:21
7:25	40.9	Hillsboro.....	6:15
f 7:35	46.4	Glenn.....	f 6:06
7A55	55.0	Ar. Durham.....	Lv. 5P55
8M10	55.0	Lv. Durham.....	Ar. 5M55
f 8:32	68.7	Morrisville...	f 5:19
8:39	72.8	Cary.....	5:14
8A55	81.1	Ar. Raleigh.....	Lv. 5P00
9M10	81.1	Lv. Raleigh.....	Ar. 4M30
f 9:18	86.9	Garner.....	4:20
9:30	96.1	Clayton.....	4:07
f 9:39	103.7	Wilsons Mills.	f 3:57
10A00	109.2	Ar. Selma.....	Lv. 3P50
10M00	109.2	Lv. Selma.....	Ar. 3M50
f 10:08	111.9	Pine Level....	f 3:30
10:18	117.7	Princeton.....	3:23
f 10:25	123.7	Rose.....	f 3:15
10A45	129.1	Ar. Goldsboro....	Lv. 3M05
		n.s.*	

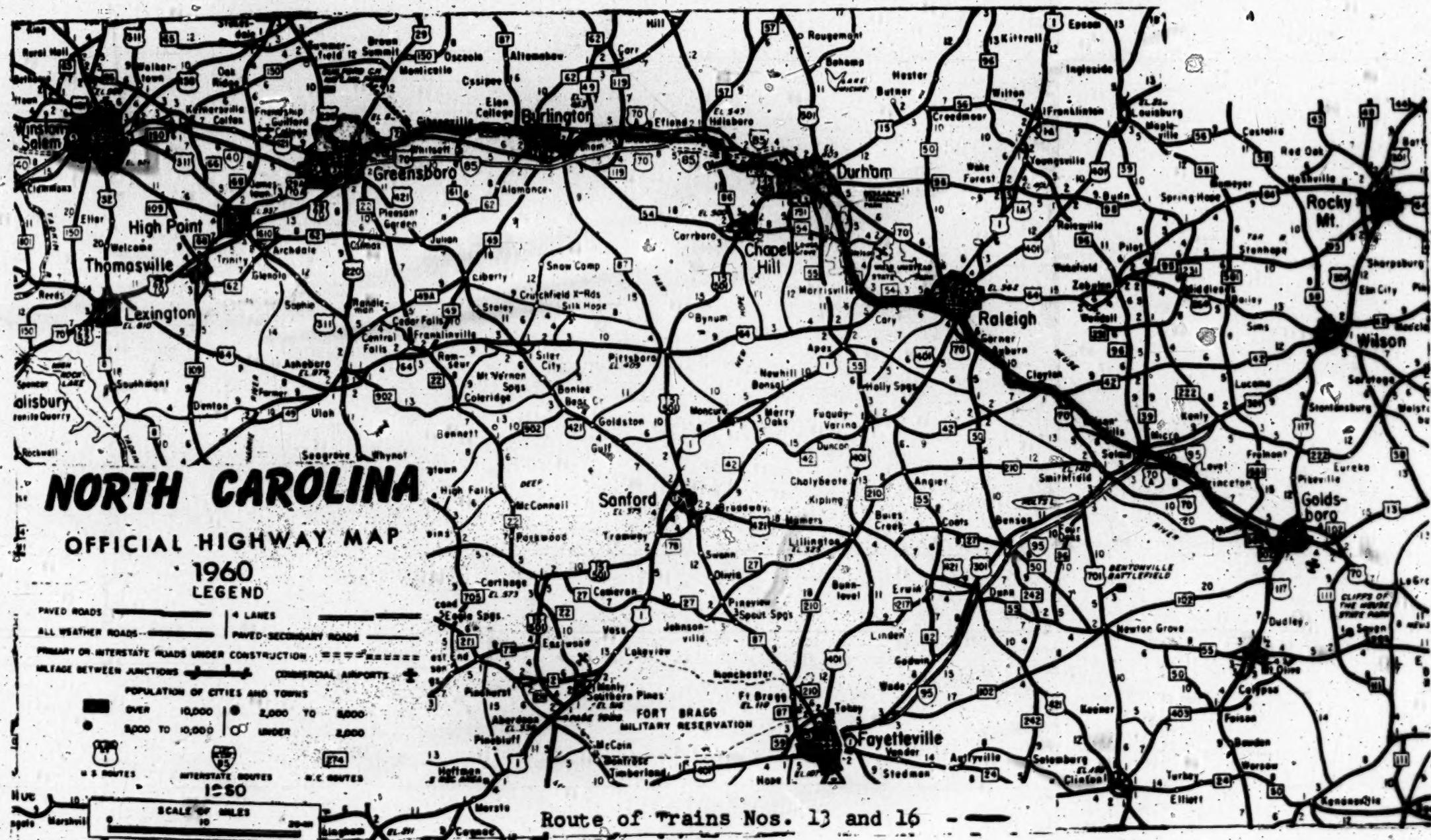
f - Flag stop.
n.s. - No population shown.

Source:

Southern Railway System Passenger Train Schedules, folder, dated October 30, 1960. Population figures taken from Final 1960 Census, U.S. Bureau of the Census except that those marked with an asterisk * were obtained from Rand McNally Commercial Atlas & Marketing Guide, 91st. Edition, 1960.

[fol. 81]

EXHIBIT 1 TO PETITION



[fol. 83]

EXHIBIT 3 TO PETITION

SOUTHERN RAILWAY COMPANY

Passenger Service Operations

<u>Passenger Service Operating Revenues</u>	<u>Passenger Operating Expenses</u>	<u>Taxes</u>	<u>Equipment and Joint Facility Rents</u>	<u>Total Operating Expenses, Taxes and Rents Col. 3+Col. 4 +Col. 5</u>	<u>Net Railway Operating Income Col. 2-Col. 6</u>	<u>Passenger Train Miles Col. 2+Col. 8</u>	<u>Average Revenue Per Train Mile Col. 6:Col. 8</u>	<u>Average Cost Per Train Mile Col. 6:Col. 8</u>	<u>Average Cost Per \$1.00 of Revenue Col. 6+Col. 2</u>
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
\$35,003,784	\$42,282,209	\$3,659,878	\$ 274,177	\$46,216,264	D \$11,216,480	10,619,081	\$3.30	\$4.35	\$1.32
32,387,779	42,490,615	3,803,482	31,145	46,325,242	D 13,937,463	10,229,625	3.17	4.53	1.43
30,276,601	41,127,072	1,785,687	212,710	43,125,469	D 12,848,868	9,833,963	3.08	4.39	1.42
36,454,296	46,164,166	3,404,966	1,032,435	50,601,567	D 14,147,271	10,065,700	3.62	5.03	1.39
36,568,817	46,301,300	3,629,465	4,556	49,935,321	D 13,366,504	9,612,451	3.80	5.19	1.37
34,037,739	45,635,504	3,616,068	Cr. 497,175	48,754,397	D 14,716,658	8,795,542	3.87	5.54	1.43
32,372,126	42,429,763	3,550,075	Cr. 262,712	45,717,126	D 13,345,000	8,359,786	3.87	5.47	1.41
30,341,727	41,960,451	3,516,310	129,538	45,606,299	D 15,264,572	7,800,349	3.89	5.84	1.50
29,437,842	42,662,881	3,659,369	294,489	46,616,739	D 17,178,897	7,411,851	3.97	6.29	1.58
28,323,631	43,299,978	3,687,569	270,133	47,257,680	D 18,934,049	7,034,036	4.03	6.72	1.67
26,574,695	41,214,889	3,529,697	Cr. 674,858	44,069,728	D 17,495,033	6,637,956	4.00	6.64	1.66
26,385,737	38,805,530	3,667,408	Cr. 498,852	41,974,086	D 15,588,349	6,394,140	4.13	6.56	1.59
26,366,269	37,894,275	3,697,020	555,228	41,036,067	D 14,669,798	6,190,020	4.26	6.63	1.56

* Mail Pay of \$2,859,874 - Applicable to years 1948 and 1949 which was audited in 1950 has been included in appropriate years.

Notes deficit.

* Annual Reports to the ICC and Company Records.

POPULATIONS OF COUNTIES TRAVERSED
BY TRAINS NOS. 13 AND 16 COMPARED
WITH THE STATE OF NORTH CAROLINA
AND THE UNITED STATES

POPULATION

<u>County</u>	<u>1960</u>	<u>Per Square Mile</u>	<u>1950</u>	<u>Percent Increase or Decrease 1950-1960</u>
Guilford	246,520	378.6	191,057	29.0
Alamance	85,674	197.4	71,220	20.3
Orange	42,970	107.9	34,435	24.8
Durham	111,995	374.5	101,639	10.2
Wake	169,082	195.2	136,450	23.9
Johnston	62,936	79.1	65,906	-4.5
Wayne	<u>82,059</u>	147.8	<u>64,267</u>	27.7
Totals -	<u>801,236</u>		664,974	
Average (Seven Counties)	<u>802,236</u>	<u>200.4</u>	<u>200.6</u>	
Seven Counties				20.5 20.6
State of North Carolina	4,556,155	92.7	4,061,929	12.2
United States	179,323,175	50.5	151,325,798	18.5

Source:

U. S. Bureau of the Census, Department of Commerce,
Washington, D. C.

[fol. 84]

EXHIBIT 4 TO PETITION

84

79

ESTIMATED RATIO OF PERSONS PER REGISTERED
PASSENGER AUTOMOBILE IN THE SEVERAL NORTH
CAROLINA COUNTIES TRAVERSED BY TRAINS NOS.
13 AND 16 COMPARED WITH THE STATE OF NORTH
CAROLINA

<u>County</u>	<u>Population (1960)</u>	<u>Estimated Registered Passenger Automobiles (1960)</u>	<u>Ratio of Persons Per Registered Pass. Automobile</u>
Guilford	246,520	94,088	2.6
Alamance	85,674	32,334	2.6
Orange	42,970	11,083	3.9
Durham	111,995	37,122	3.0—
Wake	169,082	63,177	2.9
Johnston	63,936	17,035	3.8
Wayne	<u>82,059</u>	<u>21,685</u>	3.8
Totals	<u>801,236</u> <u>802,236</u>	<u>276,524</u>	
Average (Seven Counties)			2.9
State of North Carolina	4,556,155	1,380,461	3.3

Source:

Department of Motor Vehicles, State of North Carolina and U. S. Bureau of the Census, Department of Commerce.

ESTIMATED RATIO OF PERSONS PER REGISTERED
PASSENGER AUTOMOBILE IN THE PRINCIPAL CITIES
AND TOWNS OF THE SEVERAL COUNTIES TRAVELED
BY TRAINS NOS. 13 AND 16

<u>City or Town</u>	<u>Population (1960)</u>	<u>Estimated Registered Passenger Automobiles (1960)</u>	<u>Estimated Ratio of Persons Per Registered Pass. Automobile</u>
Greensboro	119,574	52,390	2.2
Burlington	33,199	19,355	1.7
Chapel Hill*	12,573	6,937	1.8
Durham	78,302	35,962	2.1
Raleigh	93,931	43,394	2.1
Selma	3,102	2,498	1.2
Goldsboro	28,873	14,766	1.9
Totals -	369,554	175,302	
Average (Seven Cities or Towns)		-	2.1

*Chapel Hill is located off the route of Trains Nos. 13 and 16 southwest of Durham.

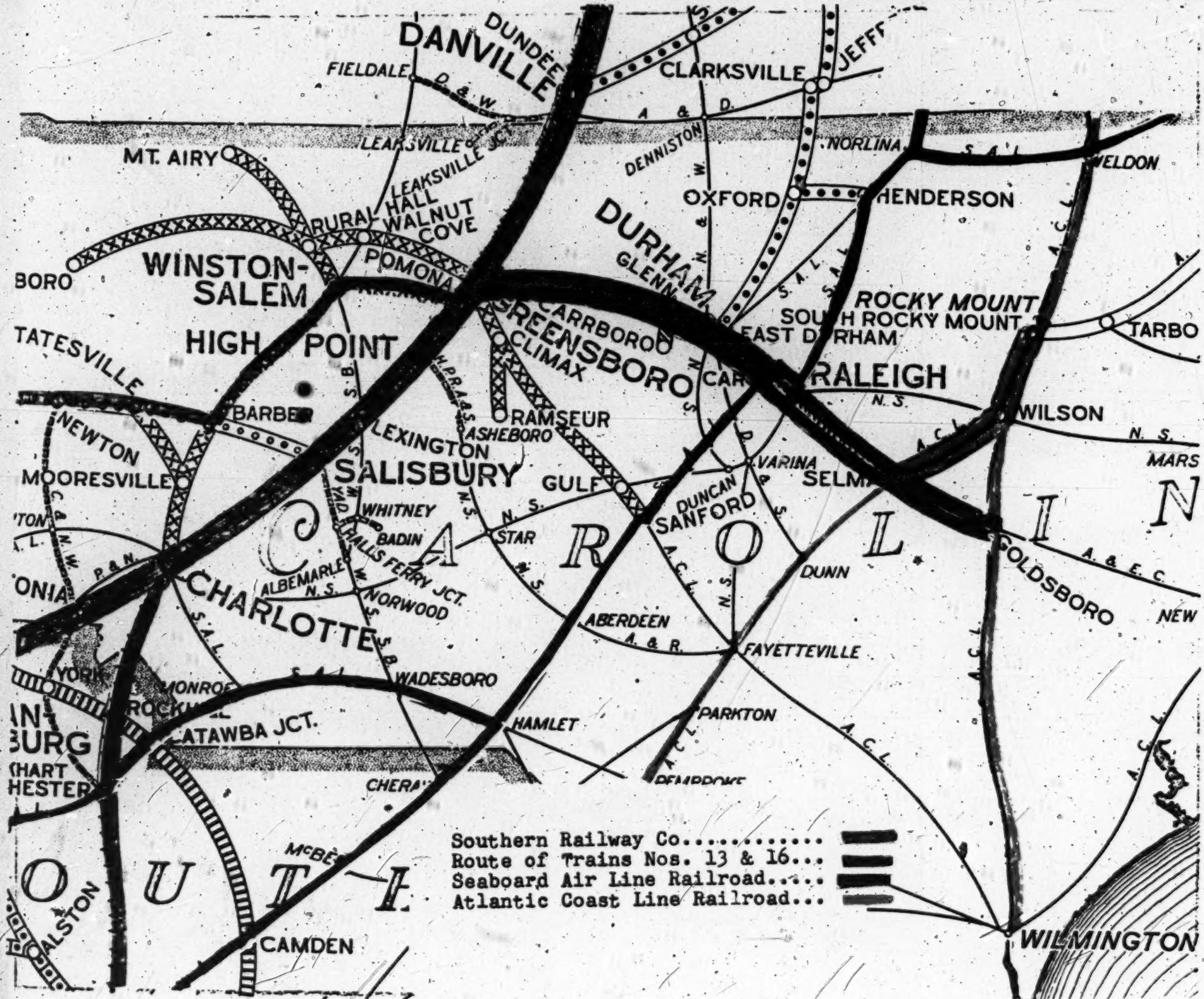
Source:

Department of Motor Vehicles, State of North Carolina
and U. S. Bureau of the Census, Department of Commerce.

[fol. 86]

Exhibit 6 to Petition

86



**TIMETABLE OF OTHER SOUTHERN RAILWAY CO.
PASSENGER TRAINS SERVING GREENSBORO, N.C.**

TABLE I

WASHINGTON-CHARLOTTE-ATLANTA

100

Rand Dunn

**"INTEABLE OF OTHER SOUTHERN RAILWAY
CO. PASSENGER TRAINS SERVING GREENSBORO, N.C.**

ATLANTA-CHARLOTTE-WASHINGTON

TABLE I

1.	Atlanta								
2.	Charleston								
3.	Baltimore								
4.	Philadelphia								
5.	New York								
6.	Washington								
7.	St. Louis								
8.	Chicago								
9.	Detroit								
10.	Minneapolis								
11.	Seattle								
12.	Portland								
13.	Oregon								
14.	San Francisco								
15.	Honolulu								
16.	Hawaii								
17.	Albuquerque								
18.	Tucson								
19.	Phoenix								
20.	Las Vegas								
21.	San Antonio								
22.	Austin								
23.	Dallas								
24.	Houston								
25.	Baton Rouge								
26.	Nashville								
27.	Knoxville								
28.	Memphis								
29.	St. Paul								
30.	Minneapolis-St. Paul								
31.	Milwaukee								
32.	Madison								
33.	Des Moines								
34.	Omaha								
35.	Lincoln								
36.	Spokane								
37.	Seattle								
38.	Portland								
39.	Ore.								
40.	Honolulu								
41.	Hawaii								
42.	Albuquerque								
43.	Tucson								
44.	Phoenix								
45.	Las Vegas								
46.	San Antonio								
47.	Austin								
48.	Dallas								
49.	Houston								
50.	Baton Rouge								
51.	Nashville								
52.	Knoxville								
53.	Memphis								
54.	St. Paul								
55.	Minneapolis-St. Paul								
56.	Milwaukee								
57.	Madison								
58.	Des Moines								
59.	Omaha								
60.	Lincoln								
61.	Spokane								
62.	Seattle								
63.	Portland								
64.	Ore.								
65.	Honolulu								
66.	Hawaii								
67.	Albuquerque								
68.	Tucson								
69.	Phoenix								
70.	Las Vegas								
71.	San Antonio								
72.	Austin								
73.	Dallas								
74.	Houston								
75.	Baton Rouge								
76.	Nashville								
77.	Knoxville								
78.	Memphis								
79.	St. Paul								
80.	Minneapolis-St. Paul								
81.	Milwaukee								
82.	Madison								
83.	Des Moines								
84.	Omaha								
85.	Lincoln								
86.	Spokane								
87.	Seattle								
88.	Portland								
89.	Ore.								
90.	Honolulu								
91.	Hawaii								
92.	Albuquerque								
93.	Tucson								
94.	Phoenix								
95.	Las Vegas								
96.	San Antonio								
97.	Austin								
98.	Dallas								
99.	Houston								
100.	Baton Rouge								
101.	Nashville								
102.	Knoxville								
103.	Memphis								
104.	St. Paul								
105.	Minneapolis-St. Paul								
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113.	Portland								
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120.	Las Vegas								
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123.	Dallas								
124.	Houston								
125.	Baton Rouge								
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175.	Baton Rouge								
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178.	Memphis								
179.	St. Paul								
180.	Minneapolis-St. Paul								
181.	Milwaukee								
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217.	Albuquerque								
218.	Tucson								
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220.	Las Vegas								
221.	San Antonio								
222.	Austin								
223.	Dallas								
224.	Houston								
225.	Baton Rouge								
226.	Nashville								
227.	Knoxville								
228.	Memphis								
229.	St. Paul								
230									

SOUTHERN RAILWAY COMPANY

10.11.11(c) GREENSBORO, WINSTON-SALEM AND ASHEVILLE			
(Winston-Salem and Asheville Divisions)			
Road Day	Eastern Time	Road Day	Eastern Time
23	47	27	50
24	50	28	53
25	53	29	56
26	56	30	59
27	59	31	62
28	62	32	65
29	65	33	68
30	68	34	71
31	71	35	74
1	74	36	77
2	77	37	80
3	80	38	83
4	83	39	86
5	86	40	89
6	89	41	92
7	92	42	95
8	95	43	98
9	98	44	101
10	101	45	104
11	104	46	107
12	107	47	110
13	110	48	113
14	113	49	116
15	116	50	119
16	119	51	122
17	122	52	125
18	125	53	128
19	128	54	131
20	131	55	134
21	134	56	137
22	137	57	140
23	140	58	143
24	143	59	146
25	146	60	149
26	149	61	152
27	152	62	155
28	155	63	158
29	158	64	161
30	161	65	164
31	164	66	167
1	167	67	170
2	170	68	173
3	173	69	176
4	176	70	179
5	179	71	182
6	182	72	185
7	185	73	188
8	188	74	191
9	191	75	194
10	194	76	197
11	197	77	200
12	200	78	203
13	203	79	206
14	206	80	209
15	209	81	212
16	212	82	215
17	215	83	218
18	218	84	221
19	221	85	224
20	224	86	227
21	227	87	230
22	230	88	233
23	233	89	236
24	236	90	239
25	239	91	242
26	242	92	245
27	245	93	248
28	248	94	251
29	251	95	254
30	254	96	257
31	257	97	260
1	260	98	263
2	263	99	266
3	266	100	269
4	269	101	272
5	272	102	275
6	275	103	278
7	278	104	281
8	281	105	284
9	284	106	287
10	287	107	290
11	290	108	293
12	293	109	296
13	296	110	299
14	299	111	302
15	302	112	305
16	305	113	308
17	308	114	311
18	311	115	314
19	314	116	317
20	317	117	320
21	320	118	323
22	323	119	326
23	326	120	329
24	329	121	332
25	332	122	335
26	335	123	338
27	338	124	341
28	341	125	344
29	344	126	347
30	347	127	350
31	350	128	353
1	353	129	356
2	356	130	359
3	359	131	362
4	362	132	365
5	365	133	368
6	368	134	371
7	371	135	374
8	374	136	377
9	377	137	380
10	380	138	383
11	383	139	386
12	386	140	389
13	389	141	392
14	392	142	395
15	395	143	398
16	398	144	401
17	401	145	404
18	404	146	407
19	407	147	410
20	410	148	413
21	413	149	416
22	416	150	419
23	419	151	422
24	422	152	425
25	425	153	428
26	428	154	431
27	431	155	434
28	434	156	437
29	437	157	440
30	440	158	443
31	443	159	446
1	446	160	449
2	449	161	452
3	452	162	455
4	455	163	458
5	458	164	461
6	461	165	464
7	464	166	467
8	467	167	470
9	470	168	473
10	473	169	476
11	476	170	479
12	479	171	482
13	482	172	485
14	485	173	488
15	488	174	491
16	491	175	494
17	494	176	497
18	497	177	500
19	500	178	503
20	503	179	506
21	506	180	509
22	509	181	512
23	512	182	515
24	515	183	518
25	518	184	521
26	521	185	524
27	524	186	527
28	527	187	530
29	530	188	533
30	533	189	536
31	536	190	539
1	539	191	542
2	542	192	545
3	545	193	548
4	548	194	551
5	551	195	554
6	554	196	557
7	557	197	560
8	560	198	563
9	563	199	566
10	566	200	569
11	569	201	572
12	572	202	575
13	575	203	578
14	578	204	581
15	581	205	584
16	584	206	587
17	587	207	590
18	590	208	593
19	593	209	596
20	596	210	599
21	599	211	602
22	602	212	605
23	605	213	608
24	608	214	611
25	611	215	614
26	614	216	617
27	617	217	620
28	620	218	623
29	623	219	626
30	626	220	629
31	629	221	632
1	632	222	635
2	635	223	638
3	638	224	641
4	641	225	644
5	644	226	647
6	647	227	650
7	650	228	653
8	653	229	656
9	656	230	659
10	659	231	662
11	662	232	665
12	665	233	668
13	668	234	671
14	671	235	674
15	674	236	677
16	677	237	680
17	680	238	683
18	683	239	686
19	686	240	689
20	689	241	692
21	692	242	695
22	695	243	698
23	698	244	701
24	701	245	704
25	704	246	707
26	707	247	710
27	710	248	713
28	713	249	716
29	716	250	719
30	719	251	722
31	722	252	725
1	725	253	728
2	728	254	731
3	731	255	734
4	734	256	737
5	737	257	740
6	740	258	743
7	743	259	746
8	746	260	749
9	749	261	752
10	752	262	755
11	755	263	758
12	758	264	761
13	761	265	764
14	764	266	767
15	767	267	770
16	770	268	773
17	773	269	776
18	776	270	779
19	779	271	782
20	782	272	785
21	785	273	788
22	788	274	791
23	791	275	794
24	794	276	797
25	797	277	800
26	800	278	803
27	803	279	806
28	806	280	809
29	809	281	812
30	812	282	815
31	815	283	818
1	818	284	821
2	821	285	824
3	824	286	827
4	827	287	830
5	830	288	833
6	833	289	836
7	836	290	839
8	839	291	842
9	842	292	845
10	845	293	848
11	848	294	851
12	851	295	854
13	854	296	857
14	857	297	860
15	860	298	863
16	863	299	866
17	866	300	869
18	869	301	872
19	872	302	875
20	875	303	878
21	878	304	881
22	881	305	884
23	884	306	887
24	887	307	890
25	890	308	893
26	893	309	896
27	896	310	899
28	899	311	902
29	902	312	905
30	905	313	908
31	908	314	911
1	911	315	914
2	914	316	917
3	917	317	920
4	920	318	923
5	923	319	926
6	926	320	929
7	929	321	932
8	932	322	935
9	935	323	938
10	938	324	941
11	941	325	944
12	944	326	947
13	947	327	950
14	950	328	953
15	953	329	956
16	956	330	959
17	959	331	962
18	962	332	965
19	965	333	968
20	968	334	971
21	971	335	974
22	974	336	977
23	977	337	980
24	980	338	983
25	983	339	986
26	986	340	989
27	989	341	992
28	992	342	995
29	995	343	998
30	998	344	1001
31	1001	345	1004
1	1004	346	1007
2	1007	347	1010
3	1010	348	1013
4	1013	349	1016
5	1016	350	1019
6	1019	351	1022
7	1022	352	1025
8	1025	353	1028
9	1028	354	1031
10	1031	355	1034
11	1034	356	1037
12	1037	357	1040
13	1040	358	1043
14	1043	359	1046
15	1046	360	1049
16	1049	361	1052
17	1052	362	1055
18	1055	363	1058
19	1058	364	1061
20	1061	365	1064
21	1064	366	1067
22	1067	367	1070
23	1070	368	1073
24	1073</td		

TIME TABLE OF SEABOARD AIR LINE RAILROAD PASSENGER TRAINS SERVING RALEIGH, N. C.

SCHEDULES BETWEEN EASTERN CITIES AND FLORIDA THROUGH VIRGINIA, THE CAROLINAS AND GEORGIA.

Daily Trains - Read Down						Miles	TABLE 1	Daily Trains - Read Up					
AM	12:00	1:00	2:00	3:00	4:00			AM	12:00	1:00	2:00	3:00	4:00
6:25	5:25	4:25	3:25	2:25	1:25	32	BOSTON (NYNH&H)	AM	6:35	7:25	8:15	9:05	10:00
7:10	6:10	5:10	4:10	3:10	2:10	48	" Providence	AM	5:25	6:25	7:25	8:25	9:25
7:42	6:42	5:42	4:42	3:42	2:42	56	" New Haven	AM	5:25	6:25	7:25	8:25	9:25
7:58	6:58	5:58	4:58	3:58	2:58	64	" NEW YORK (Gr. Central Sta.)	AM	12:45	1:45	2:45	3:45	4:45
8:30	7:30	6:30	5:30	4:30	3:30	72	" NEW YORK (Penn Station)	AM	1:45	2:45	3:45	4:45	5:45
8:45	7:45	6:45	5:45	4:45	3:45	80	" WASHINGTON	AM	1:45	2:45	3:45	4:45	5:45
9:10	8:10	7:10	6:10	5:10	4:10	88	NEW YORK (PRR)	AM	7:30	8:30	9:30	10:30	11:30
9:25	8:25	7:25	6:25	5:25	4:25	96	" Newark	AM	8:30	9:30	10:30	11:30	12:30
10:00	8:00	7:00	6:00	5:00	4:00	104	" Trenton	AM	9:30	10:30	11:30	12:30	1:30
10:42	8:42	7:42	6:42	5:42	4:42	112	" North Philadelphia	AM	10:30	11:30	12:30	1:30	2:30
11:08	9:08	8:08	7:08	6:08	5:08	120	" PHILADELPHIA (30th St. Sta.)	AM	11:30	12:30	1:30	2:30	3:30
11:35	9:35	8:35	7:35	6:35	5:35	128	" Washington	AM	12:30	1:30	2:30	3:30	4:30
12:00	10:00	9:00	8:00	7:00	6:00	136	" Baltimore	AM	1:30	2:30	3:30	4:30	5:30
12:42	11:42	10:42	9:42	8:42	7:42	144	" WASHINGTON	AM	2:30	3:30	4:30	5:30	6:30
13:10	12:10	11:10	10:10	9:10	8:10	152	NEW YORK (PRR)	AM	3:30	4:30	5:30	6:30	7:30
13:55	13:55	13:55	13:55	13:55	13:55	160	" Newark	AM	4:30	5:30	6:30	7:30	8:30
14:28	14:28	14:28	14:28	14:28	14:28	168	" Trenton	AM	5:30	6:30	7:30	8:30	9:30
14:40	14:40	14:40	14:40	14:40	14:40	176	" North Philadelphia	AM	6:30	7:30	8:30	9:30	10:30
14:55	14:55	14:55	14:55	14:55	14:55	184	" Philadelphia (30th St. Sta.)	AM	7:30	8:30	9:30	10:30	11:30
15:33	15:33	15:33	15:33	15:33	15:33	192	" Washington	AM	8:30	9:30	10:30	11:30	12:30
15:43	15:43	15:43	15:43	15:43	15:43	200	NEW YORK (PRR)	AM	9:30	10:30	11:30	12:30	1:30
16:15	16:15	16:15	16:15	16:15	16:15	208	" Washington	AM	10:30	11:30	12:30	1:30	2:30
16:30	16:30	16:30	16:30	16:30	16:30	216	NEW YORK (PRR)	AM	11:30	12:30	1:30	2:30	3:30
16:45	16:45	16:45	16:45	16:45	16:45	224	" Newark	AM	12:30	1:30	2:30	3:30	4:30
17:00	17:00	17:00	17:00	17:00	17:00	232	" Trenton	AM	1:30	2:30	3:30	4:30	5:30
17:15	17:15	17:15	17:15	17:15	17:15	240	" North Philadelphia	AM	2:30	3:30	4:30	5:30	6:30
17:30	17:30	17:30	17:30	17:30	17:30	248	" Philadelphia (30th St. Sta.)	AM	3:30	4:30	5:30	6:30	7:30
17:45	17:45	17:45	17:45	17:45	17:45	256	" Washington	AM	4:30	5:30	6:30	7:30	8:30
18:00	18:00	18:00	18:00	18:00	18:00	264	NEW YORK (PRR)	AM	5:30	6:30	7:30	8:30	9:30
18:15	18:15	18:15	18:15	18:15	18:15	272	" Newark	AM	6:30	7:30	8:30	9:30	10:30
18:30	18:30	18:30	18:30	18:30	18:30	280	" Trenton	AM	7:30	8:30	9:30	10:30	11:30
18:45	18:45	18:45	18:45	18:45	18:45	288	" North Philadelphia	AM	8:30	9:30	10:30	11:30	12:30
19:00	19:00	19:00	19:00	19:00	19:00	296	" Philadelphia (30th St. Sta.)	AM	9:30	10:30	11:30	12:30	1:30
19:15	19:15	19:15	19:15	19:15	19:15	304	" Washington	AM	10:30	11:30	12:30	1:30	2:30
19:30	19:30	19:30	19:30	19:30	19:30	312	NEW YORK (PRR)	AM	11:30	12:30	1:30	2:30	3:30
19:45	19:45	19:45	19:45	19:45	19:45	320	" Newark	AM	12:30	1:30	2:30	3:30	4:30
20:00	20:00	20:00	20:00	20:00	20:00	328	" Trenton	AM	1:30	2:30	3:30	4:30	5:30
20:15	20:15	20:15	20:15	20:15	20:15	336	" North Philadelphia	AM	2:30	3:30	4:30	5:30	6:30
20:30	20:30	20:30	20:30	20:30	20:30	344	" Philadelphia (30th St. Sta.)	AM	3:30	4:30	5:30	6:30	7:30
20:45	20:45	20:45	20:45	20:45	20:45	352	" Washington	AM	4:30	5:30	6:30	7:30	8:30
21:00	21:00	21:00	21:00	21:00	21:00	360	NEW YORK (PRR)	AM	5:30	6:30	7:30	8:30	9:30
21:15	21:15	21:15	21:15	21:15	21:15	368	" Newark	AM	6:30	7:30	8:30	9:30	10:30
21:30	21:30	21:30	21:30	21:30	21:30	376	" Trenton	AM	7:30	8:30	9:30	10:30	11:30
21:45	21:45	21:45	21:45	21:45	21:45	384	" North Philadelphia	AM	8:30	9:30	10:30	11:30	12:30
22:00	22:00	22:00	22:00	22:00	22:00	392	" Philadelphia (30th St. Sta.)	AM	9:30	10:30	11:30	12:30	1:30
22:15	22:15	22:15	22:15	22:15	22:15	400	" Washington	AM	10:30	11:30	12:30	1:30	2:30
22:30	22:30	22:30	22:30	22:30	22:30	408	NEW YORK (PRR)	AM	11:30	12:30	1:30	2:30	3:30
22:45	22:45	22:45	22:45	22:45	22:45	416	" Newark	AM	12:30	1:30	2:30	3:30	4:30
23:00	23:00	23:00	23:00	23:00	23:00	424	" Trenton	AM	1:30	2:30	3:30	4:30	5:30
23:15	23:15	23:15	23:15	23:15	23:15	432	" North Philadelphia	AM	2:30	3:30	4:30	5:30	6:30
23:30	23:30	23:30	23:30	23:30	23:30	440	" Philadelphia (30th St. Sta.)	AM	3:30	4:30	5:30	6:30	7:30
23:45	23:45	23:45	23:45	23:45	23:45	448	" Washington	AM	4:30	5:30	6:30	7:30	8:30
24:00	24:00	24:00	24:00	24:00	24:00	456	NEW YORK (PRR)	AM	5:30	6:30	7:30	8:30	9:30
24:15	24:15	24:15	24:15	24:15	24:15	464	" Newark	AM	6:30	7:30	8:30	9:30	10:30
24:30	24:30	24:30	24:30	24:30	24:30	472	" Trenton	AM	7:30	8:30	9:30	10:30	11:30
24:45	24:45	24:45	24:45	24:45	24:45	480	" North Philadelphia	AM	8:30	9:30	10:30	11:30	12:30
25:00	25:00	25:00	25:00	25:00	25:00	488	" Philadelphia (30th St. Sta.)	AM	9:30	10:30	11:30	12:30	1:30
25:15	25:15	25:15	25:15	25:15	25:15	496	" Washington	AM	10:30	11:30	12:30	1:30	2:30
25:30	25:30	25:30	25:30	25:30	25:30	504	NEW YORK (PRR)	AM	11:30	12:30	1:30	2:30	3:30
25:45	25:45	25:45	25:45	25:45	25:45	512	" Newark	AM	12:30	1:30	2:30	3:30	4:30
26:00	26:00	26:00	26:00	26:00	26:00	520	" Trenton	AM	1:30	2:30	3:30	4:30	5:30
26:15	26:15	26:15	26:15	26:15	26:15	528	" North Philadelphia	AM	2:30	3:30	4:30	5:30	6:30
26:30	26:30	26:30	26:30	26:30	26:30	536	" Philadelphia (30th St. Sta.)	AM	3:30	4:30	5:30	6:30	7:30
26:45	26:45	26:45	26:45	26:45	26:45	544	" Washington	AM	4:30	5:30	6:30	7:30	8:30
27:00	27:00	27:00	27:00	27:00	27:00	552	NEW YORK (PRR)	AM	5:30	6:30	7:30	8:30	9:30
27:15	27:15	27:15	27:15	27:15	27:15	560	" Newark	AM	6:30	7:30	8:30	9:30	10:30
27:30	27:30	27:30	27:30	27:30	27:30	568	" Trenton	AM	7:30	8:30	9:30	10:30	11:30
27:45	27:45	27:45	27:45	27:45	27:45	576	" North Philadelphia	AM	8:30	9:30	10:30	11:30	12:30
28:00	28:00	28:00	28:00	28:00	28:00	584	" Philadelphia (30th St. Sta.)	AM	9:30	10:30	11:30	12:30	1:30
28:15	28:15	28:15	28:15	28:15	28:15	592	" Washington	AM	10:30	11:30	12:30	1:30	2:30
28:30	28:30	28:30	28:30	28:30	28:30	600	NEW YORK (PRR)	AM	11:30	12:30	1:30	2:30	3:30
28:45	28:45	28:45	28:45	28:45	28:45	608	" Newark	AM	12:30	1:30	2:30	3:30	4:30
29:00	29:00	29:00	29:00	29:00	29:00	616	" Trenton	AM	1:30	2:30	3:30	4:30	5:30
29:15	29:15	29:15	29:15	29:15	29:15	624	" North Philadelphia	AM	2:30	3:30	4:30	5:30	6:30
29:30	29:30	29:30	29:30	29:30	29:30	632	" Philadelphia (30th St. Sta.)	AM	3:30	4:30	5:30	6:30	7:30
29:45	29:45	29:45	29:45	29:45	29:45	640	" Washington	AM	4:30	5:30	6:30	7:30	8:30
30:00	30:00	30:00	30:00	30:00	30:00	648	NEW YORK (PRR)	AM	5:30	6:30	7:30	8:30	9:30
30:15	30:15	30:15	30:15	30:15	30:15	656	" Newark	AM	6:30	7:30	8:30	9:30	10:30
30:30	30:30	30:30	30:30	30:30	30:30	664	" Trenton	AM	7:30	8:30	9:30	10:30	11:30
30:45	30:45	30:45	30:45	30:45	30:45	672	" North Philadelphia	AM	8:30	9:30	10:30	11:30	12:30
31:00	31:00	31:00	31:00	31:00	31:00	680							

SCHEDULES BETWEEN EASTERN CITIES AND FLORIDA THROUGH VIRGINIA, THE CAROLINAS AND GEORGIA
 (Continued)

Read Down				Miles from Richmond
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SCHEDULES BETWEEN EASTERN CITIES AND FLORIDA THROUGH VIRGINIA, THE CAROLINAS AND GEORGIA

(Continued).

Head Down				TABLE 3 Daily Trains Eastern Standard Time												Head Up			
	7-197	87	31		100	101	102	103	104	105	106	107	108	109	110				
7-197	7-20	8-15	8-20		821	822	823	824	825	826	827	828	829	830	831	9	10	11	12
7-20	7-22	8-15	8-20		829	830	831	832	833	834	835	836	837	838	839	10	11	12	13
7-22	7-23	8-15	8-20		831	832	833	834	835	836	837	838	839	840	841	11	12	13	14
7-23	7-23	8-15	8-20		833	834	835	836	837	838	839	840	841	842	843	12	13	14	15
7-24	7-24	8-15	8-20		835	836	837	838	839	840	841	842	843	844	845	13	14	15	16
7-25	7-25	8-15	8-20		837	838	839	840	841	842	843	844	845	846	847	14	15	16	17
7-26	7-26	8-15	8-20		839	840	841	842	843	844	845	846	847	848	849	15	16	17	18
7-27	7-27	8-15	8-20		841	842	843	844	845	846	847	848	849	850	851	16	17	18	19
7-28	7-28	8-15	8-20		843	844	845	846	847	848	849	850	851	852	853	17	18	19	20
7-29	7-29	8-15	8-20		845	846	847	848	849	850	851	852	853	854	855	18	19	20	21
7-30	7-30	8-15	8-20		847	848	849	850	851	852	853	854	855	856	857	19	20	21	22
7-31	7-31	8-15	8-20		849	850	851	852	853	854	855	856	857	858	859	20	21	22	23
8-1	8-1	8-15	8-20		851	852	853	854	855	856	857	858	859	860	861	21	22	23	24
8-2	8-2	8-15	8-20		853	854	855	856	857	858	859	860	861	862	863	22	23	24	25
8-3	8-3	8-15	8-20		855	856	857	858	859	860	861	862	863	864	865	23	24	25	26
8-4	8-4	8-15	8-20		857	858	859	860	861	862	863	864	865	866	867	24	25	26	27
8-5	8-5	8-15	8-20		859	860	861	862	863	864	865	866	867	868	869	25	26	27	28
8-6	8-6	8-15	8-20		861	862	863	864	865	866	867	868	869	870	871	26	27	28	29
8-7	8-7	8-15	8-20		863	864	865	866	867	868	869	870	871	872	873	27	28	29	30
8-8	8-8	8-15	8-20		865	866	867	868	869	870	871	872	873	874	875	28	29	30	31
8-9	8-9	8-15	8-20		867	868	869	870	871	872	873	874	875	876	877	29	30	31	1
8-10	8-10	8-15	8-20		869	870	871	872	873	874	875	876	877	878	879	30	1	2	3
8-11	8-11	8-15	8-20		871	872	873	874	875	876	877	878	879	880	881	31	1	2	3
8-12	8-12	8-15	8-20		873	874	875	876	877	878	879	880	881	882	883	32	1	2	3
8-13	8-13	8-15	8-20		875	876	877	878	879	880	881	882	883	884	885	33	1	2	3
8-14	8-14	8-15	8-20		877	878	879	880	881	882	883	884	885	886	887	34	1	2	3
8-15	8-15	8-15	8-20		879	880	881	882	883	884	885	886	887	888	889	35	1	2	3
8-16	8-16	8-15	8-20		881	882	883	884	885	886	887	888	889	890	891	36	1	2	3
8-17	8-17	8-15	8-20		883	884	885	886	887	888	889	890	891	892	893	37	1	2	3
8-18	8-18	8-15	8-20		885	886	887	888	889	890	891	892	893	894	895	38	1	2	3
8-19	8-19	8-15	8-20		887	888	889	890	891	892	893	894	895	896	897	39	1	2	3
8-20	8-20	8-15	8-20		889	890	891	892	893	894	895	896	897	898	899	40	1	2	3
8-21	8-21	8-15	8-20		891	892	893	894	895	896	897	898	899	900	901	41	1	2	3
8-22	8-22	8-15	8-20		893	894	895	896	897	898	899	900	901	902	903	42	1	2	3
8-23	8-23	8-15	8-20		895	896	897	898	899	900	901	902	903	904	905	43	1	2	3
8-24	8-24	8-15	8-20		897	898	899	900	901	902	903	904	905	906	907	44	1	2	3
8-25	8-25	8-15	8-20		899	900	901	902	903	904	905	906	907	908	909	45	1	2	3
8-26	8-26	8-15	8-20		901	902	903	904	905	906	907	908	909	910	911	46	1	2	3
8-27	8-27	8-15	8-20		903	904	905	906	907	908	909	910	911	912	913	47	1	2	3
8-28	8-28	8-15	8-20		905	906	907	908	909	910	911	912	913	914	915	48	1	2	3
8-29	8-29	8-15	8-20		907	908	909	910	911	912	913	914	915	916	917	49	1	2	3
8-30	8-30	8-15	8-20		909	910	911	912	913	914	915	916	917	918	919	50	1	2	3
8-31	8-31	8-15	8-20		911	912	913	914	915	916	917	918	919	920	921	51	1	2	3
9-1	9-1	8-15	8-20		913	914	915	916	917	918	919	920	921	922	923	52	1	2	3
9-2	9-2	8-15	8-20		915	916	917	918	919	920	921	922	923	924	925	53	1	2	3
9-3	9-3	8-15	8-20		917	918	919	920	921	922	923	924	925	926	927	54	1	2	3
9-4	9-4	8-15	8-20		919	920	921	922	923	924	925	926	927	928	929	55	1	2	3
9-5	9-5	8-15	8-20		921	922	923	924	925	926	927	928	929	930	931	56	1	2	3
9-6	9-6	8-15	8-20		923	924	925	926	927	928	929	930	931	932	933	57	1	2	3
9-7	9-7	8-15	8-20		925	926	927	928	929	930	931	932	933	934	935	58	1	2	3
9-8	9-8	8-15	8-20		927	928	929	930	931	932	933	934	935	936	937	59	1	2	3
9-9	9-9	8-15	8-20		929	930	931	932	933	934	935	936	937	938	939	60	1	2	3
9-10	9-10	8-15	8-20		931	932	933	934	935	936	937	938	939	940	941	61	1	2	3
9-11	9-11	8-15	8-20		933	934	935	936	937	938	939	940	941	942	943	62	1	2	3
9-12	9-12	8-15	8-20		935	936	937	938	939	940	941	942	943	944	945	63	1	2	3
9-13	9-13	8-15	8-20		937	938	939	940	941	942	943	944	945	946	947	64	1	2	3
9-14	9-14	8-15	8-20		939	940	941	942	943	944	945	946	947	948	949	65	1	2	3
9-15	9-15	8-15	8-20		941	942	943	944	945	946	947	948	949	950	951	66	1	2	3
9-16	9-16	8-15	8-20		943	944	945	946	947	948	949	950	951	952	953	67	1	2	3
9-17	9-17	8-15	8-20		945	946	947	948	949	950	951	952	953	954	955	68	1	2	3
9-18	9-18	8-15	8-20		947	948	949	950	951	952	953	954	955	956	957	69	1	2	3
9-19	9-19	8-15	8-20		949	950	951	952	953	954	955	956	957	958	959	70	1	2	3
9-20	9-20	8-15	8-20		951	952	953	954	955	956	957	958	959	960	961	71	1	2	3
9-21	9-21	8-15	8-20		953	954	955	956	957	958	959	960	961	962	963	72	1	2	3
9-22	9-22	8-15	8-20		955	956	957	958	959	960	961	962	963	964	965	73	1	2	3
9-23	9-23	8-15	8-20		957	958	959	960	961	962	963	964	965	966	967	74	1	2	3
9-24	9-24	8-15	8-20		959	960	961	962	963	964	965	966	967	968	969	75	1	2	3
9-25	9-25	8-15	8-20		961	962	963	964	965	966	967	968	969	970	971	76	1	2	3
9-26	9-26	8-15	8-20		963	964	965	966	967	968	969	970	971	972	973	77	1	2	3
9-27	9-27	8-15	8-20		965	966	967	968	969	970	971	972	973	974	975	78	1	2	3
9-28	9-28	8-15	8-20		967	968	969	970	971	972	973	974	975	976	977	79	1	2	3
9-29	9-29	8-15	8-20		969	970	971	972	973	974	975	976	977	978	979	80	1	2	3
9-30	9-30	8-15	8-20		971	972	973	974	975	976	977	978	979	980	981	81	1	2	3
10-1	10-1	8-15	8-20		973	974	975	976	977	978	979	980	981	982	983	82	1	2	3



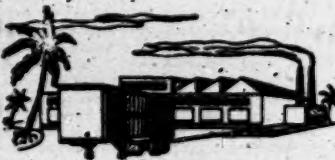
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WANT a more dependable, more flexible way to move your traffic?

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Manager TOFC Traffic
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ELgin 9-4911



SCHEDULES BETWEEN EASTERN CITIES AND FLORIDA THROUGH VIRGINIA, THE CAROLINAS AND GEORGIA

(Continued)

TABLE 4

- CHARACTERS—TABLES 3-4-5-6**

- Stops to receive and discharge passengers from Petersburg and beyond, for and from points at which these trains are regularly scheduled to stop, for and from Winter Haven and Hollywood.

Stops to receive and discharge passengers for and from Jacksonville and beyond.

Stops to receive and discharge passengers for and from Jacksonville and beyond, also for and from Waldo and Ocala.

Stops to receive and discharge passengers for and from Jacksonville and beyond, and points between St. Petersburg and West Lake Wales.

Stops to receive and discharge passengers for and from West Palm Beach and Miami; also points covered by "d," next above.

Stops to discharge passengers on notice to Conductor; to receive passengers on signal or on notice to ticket agent.

Stops to receive and discharge passengers for and from Waldo and Ocala; also points covered by "d," above.

Stops to receive and discharge passengers for and from Petersburg and beyond.

Stops to discharge passengers from West Savannah and beyond, and to receive passengers for Savannah and beyond.

Stops to receive and discharge passengers for and from Petersburg and beyond, points served by the "Gulf Wind," and points between St. Petersburg and West Lake Wales.

Stops to receive passengers for Jacksonville and beyond, for points between West Lake Wales and St. Petersburg, also for Winter Haven, Ocala and Waldo.

Stops to receive passengers for and from Jacksonville and beyond.

Stops to receive and discharge passengers for and from points north of Plant City.

Stops to receive passengers for points south of Wildwood where train stops.

Stops to discharge passengers from north of Jacksonville, and arriving on connecting lines.

Stops to receive passengers for Tampa and beyond.

Stops to discharge passengers from Wildwood and beyond.

Stops to discharge passengers from Tampa and points south, and from points on the semi-Wildwood line.

Stops to receive passengers for Columbia, and beyond.

Stops to discharge passengers from Columbia and beyond, and to receive for West Palm Beach and Miami.

Stops to discharge passengers from Jacksonville and beyond and from points between Tampa and Wildwood.

Stops to receive and discharge passengers for and from West Palm Beach and Miami; also points covered by "m" above.

Time is for Seaboard Station, Tampa.

**SCHEDULES BETWEEN EASTERN CITIES AND ATLANTA, BIRMINGHAM AND THE SOUTHWEST
THROUGH VIRGINIA AND THE CAROLINAS**

Daily Trains - Read Down

TABLE 11									
NYNH&H PRR SFAP SAL									
Eastern Standard Time									
To BOSTON (NYNH&H)									
2:30	11:00	7:00	10:20						
				2:32	6:00				
				3:48	10:00				
				4:36	5:00				
				5:05	5:50				
				5:15	5:55				
				5:20	11:00				
				5:25	10:00				
				5:45	22:00				
12:15	12:20	12:25	12:30	12:35	12:40				
12:20	12:25	12:30	12:35	12:40	12:45				
2:35	1:00	7:00	12:10	0:00					
				4:30					
3:35	2:00	7:00	1:00	22:4					
4:35	3:20	7:00		9:31					
5:17	4:30	7:00		10:20					
6:15		7:00		11:00					
				16:10					
				16:15					
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				31:55					
				32:00					
				32:05					
				32:10					
				32:15					
				32:20					

**SHIPPING BETWEEN EASTERN CITIES AND ATLANTA, BIRMINGHAM
AND THE SOUTHWEST THROUGH VIRGINIA AND THE CAROLINAS**

CHARACTERS—TABLES 11

- a Steps to receive and discharge passengers for and from Raleigh, Birmingham and beyond.
 - b Steps on signal to receive or discharge revenue passengers.
 - c Steps to discharge passengers from Birmingham and beyond.
 - d Steps to receive and discharge passengers for or from Washington and beyond.
 - e Steps to discharge passengers from Raleigh and beyond; to receive for Columbia, Monroe and beyond.
 - f Steps to discharge passengers on notice to Conductor; to receive passengers on signal or on notice to ticket agent.
 - g Steps to receive and discharge passengers for and from Atlanta, Birmingham and beyond.
 - h Steps to receive and discharge passengers for and from Monroe and beyond.
 - i Steps to receive and discharge passengers for and from Raleigh, Allatoona and beyond.
 - m Steps on Saturdays and Sundays only to receive passengers for Birmingham.
 - n Steps to receive passengers for points east of Monroe.
 - o Portsmouth-Atlanta coach 23-B, sleeper B-3, handled on Train 17 Portsmouth to Raleigh, then on Train 33 to Atlanta.
 - s Atlanta-Portsmouth, coach 28-B and sleeper B-4, handled on Train 34 Atlanta to Raleigh, then on Train 18 to Portsmouth.
 - v Steps to receive and discharge passengers for and from points east of Norlina and for and from points south and west of Hamlet.
 - e Steps to discharge passengers from Atlanta and beyond and to receive passengers for points on the Portsmouth line.
 - z Does not run on Saturday nights.
 - z Does not run on Sundays.
 - z Does not run on Sundays and Holidays.
 - z Steps only to discharge passengers.
 - z Buses of Elizabeth River Tunnel Commission pick up passengers at street stops in Norfolk enroute Portsmouth on City Hall Ave. at Brewer St.; on Plume St. at Norfolk City Hall Annex; on Rlume at Bank St.; on Church St. at City Hall Ave., and make stop in Portsmouth on Crawford St. one block west of Seaboard Station, on schedules of approximately every five minutes.
 - z Buses of Elizabeth River Tunnel Commission stop in Portsmouth on Crawford St. at corner of King St. (one block west of Seaboard Station) enroute Norfolk and discharge in Norfolk at City Hall Ave. and Brewer Sts., on schedules of approximately every five minutes.

NEW YORK, WASHINGTON, RICHMOND AND JACKSONVILLE

-15-

TABLE I
DAILY TRADE

[fol. 97]

Exhibit 12 to PETITION

Add this option to LXDE7 face type. Add this option to SAWI7 face type.
For reference, choose one menu path (page 36).

For additional notes see next page (page 20).

Source:

Atlantic Coast Line Railroad
Time Table Folder, dated December
15, 1960.

**TIMETABLE OF ATLANTIC COAST LINE RAILROAD
PASSENGER TRAINS SERVING GOLDSBORO, N. C.**

**NEW YORK, WASHINGTON, RICHMOND AND
WILMINGTON**

Read Down		Miles			Feed up	
175	77	77-49	Daily	TABLE 3	120	78
				742 PRR Train EXP. 742 B&P RR Train EXP. 742 ACL RR Train EXP. For equipment see table P	42-78	
				Eastern Standard Time	Daily	
1:30	0			PBS Ar	10:55	
2:00	10			PBS Ar	10:39	
2:49	59			Ar	9:54	
3:16	64			Ar	9:23	
3:25	91			Aro	9:15	
3:44	116			Ar	8:46	
4:53	167			Ar	7:45	
6:38	227			Lv	7:00	
6:58	227			Ar	6:15	
8:40	341			J	5:55	
9:10	341			Ar	3:30	
9:30	348			ACL Ar	2:40	
10:30	407			Ar	1:32	
10:55	477			Ar	1:25	
11:35	444			Lv	12:50	
3:45	466			Ar	11:30	
4:05	475			J	11:25	
4:21	481			J	11:10	
				Continence River		
4:36	487			Lv	10:44	
4:47	494			Lv	10:22	
4:54	497			Lv	10:20	
5:31	588			Ar	10:04	
5:31	592			Ar	10:04	
				Nassau River		
5:59	619			Lv	9:30	
6:05	623			Lv	9:23	
6:10	626			Lv	9:18	
6:31	634			Lv	9:08	
6:47	642			Lv	8:48	
6:58	647			Lv	8:36	
7:03	551			Lv	8:21	
7:13	553			Lv	8:27	
7:15	554			Lv	8:21	
7:21	540			Lv	8:16	
7:35	547			Lv	8:07	
7:50	575			Lv	7:54	
				Northeast Cape Fear River		
7:59	580			Lv	7:44	
8:30	589			Ar	7:30	

REFERENCE NOTES

- (1) Flag stop to receive or discharge passengers.
- (2) Transfer between Petersburg (A.C.L. Passenger Station) and Petersburg (Appomattox Street Station) made by foot upon payment of taxi fare.
- (3) New York to Wilmington sleeper operates in PRR train 101, B&P train 91 and ACL train 91 New York to Rocky Mount, leaving New York 3:30 PM and Washington 8:20 PM. For schedule see table D on page 9.
- (4) Atlantic Greyhound bus leaves Wilmington bus terminal 12:30 PM, arriving Myrtle Beach 2:55 PM.
- (5) Atlantic Greyhound bus leaves Myrtle Beach 3:22 PM, arriving Wilmington bus terminal 4:35 PM.

Source:

Atlantic Coast Line Railroad Timetable Folder,
dated December 15, 1960.

[fol. 98]

Exhibit 13 to Petition

98

99

CAROLINA TRAILWAYS

Table 8105

TRAILWAYS EASTERN LINES

Charlotte—Raleigh—Norfolk

\$1.00

Source:

Russell's Official National Motor Coach Guide, January 1961

EXHIBIT 14 TO PETITION

[Vol. 99]

Table 81

CAROLINA TRAILWAYS

URANUS VENUS MARS JUPITER SATURN

Norfolk—Raleigh—Charlotte

8100
1991

All trips operate daily unless otherwise noted.

Source:

Russell's Official National Motor Coach Guide, January 1961

100 92

Greyhound Lines

COLUMBIA — SUMTER — FLORENCE — MYRTLE BEACH

READ DOWN		321A												READ UP																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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365	6370	6375	6380	6385	6390	6395	6400	6405	6410	6415	6420	6425	6430	6435	6440	6445	6450	6455	6460	6465	6470	6475	6480	6485	6490	6495	6500	6505	6510	6515	6520	6525	6530	6535	6540	6545	6550	6555	6560	6565	6570	6575	6580	6585	6590	6595	6600	6605	6610	6615	6620	6625	6630	6635	6640	6645	6650	6655	6660	6665	6670	6675	6680	6685	6690	6695	6700	6705	6710	6715	6720	6725	6730	6735	6740	6745	6750	6755	6760	6765	6770	6775	6780	6785	6790	6795	6800	6805	6810	6815	6820	6825	6830	6835	6840	6845	6850	6855	6860	6865	6870	6875	6880	6885	6890	6895	6900	6905	6910	6915	6920	6925	6930	6935	6940	6945	6950	6955	6960	6965	6970	6975	6980	6985	6990	6995	7000	7005	7010	7015	7020	7025	7030	7035	7040	7045	7050	7055	7060	7065	7070	7075	7080	7085	7090	7095	7100	7105	7110	7115	7120	7125	7130	7135	7140	7145	7150	7155	7160	7165	7170	7175	7180	7185	7190	7195	7200	7205	7210	7215	7220	7225	7230	7235	7240	7245	7250	7255	7260	7265	7270	7275	7280	7285	7290	7295	7300	7305	7310	7315	7320	7325	7330	7335	7340	7345	7350	7355	7360	7365	7370	7375	7380	7385	7390	7395	7400	7405	7410	7415	7420	7425	7430	7435	7440

TRAILWAYS EASTERN LINES

New York—Richmond—Raleigh—Fayetteville—Jacksonville

READ DOWN												READ UP											
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We
123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146
147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170
171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194
195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218
219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242
243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266
267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290
291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314
315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338
339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362
363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386
387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410
411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434
435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458
459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482
483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506
507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530
531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554
555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578
579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602
603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626
627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650
651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674
675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698
699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722
723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746
747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770
771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794
795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818
819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842
843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866
867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890
891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914
915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938
939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962
963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986
987	988	989	990	991	992	993	994	995	996	997	998	999	999	999	999	999	999	999	999	999	999	999	999

All trips operate daily unless otherwise noted.

Source:

Russell's Official National Motor Coach Guide, January 1961.

102

Source:

Eastern Air Lines Timetable
Dated February 1, 1961

8110

10-30-60

Le Boston Mass. (EST) (VTF) Ar 5 55
 In New York, N.Y. (EST) (VTF) Ar 6 00
 Ar 6 00
 Le Philadelphia, Pa. (EST) (VTF) Ar 6 00
 Le Baltimore, Md. (EST) (VTF) Ar 6 00
 Le Washington, D.C. (EST) (VTF) Ar 6 00
 Le Washington, D.C. (VAT) Ar 6 00
 Le Richmond, Va. (VAT) Ar 6 05

Le Raleigh, N.C. (CCC) Ar 7 00
 Date Gap. Ar 7 00
 *Putneyberg. Ar 7 00
 Stony Creek. Ar 7 00
 Jarrett. Ar 7 00
 Emporia. Ar 7 00
 Shippensburg. Ar 7 00
 Pleasant Hill, N.C. Ar 7 00
 Roanoke Rapids. Ar 7 00
 Roanoke Rapids. Ar 7 00
 Littleton. Ar 7 00
 Macon. Ar 7 00
 Warrenton. Ar 7 00
 Brinkleyville. Ar 7 00
 Centerville. Ar 7 00
 Louisburg. Ar 7 00
 Rolesville. Ar 7 00
 Raleigh, N.C. (CCC) Ar 7 00

8110

10-30-60

In Boston Mass. (EST) (VTF) Ar 5 55
 In New York, N.Y. (EST) (VTF) Ar 6 00
 Ar 6 00
 Le Philadelphia, Pa. (EST) (VTF) Ar 6 00
 Le Baltimore, Md. (EST) (VTF) Ar 6 00
 Le Washington, D.C. (EST) (VTF) Ar 6 00
 Le Washington, D.C. (VAT) Ar 6 00
 Le Richmond, Va. (VAT) Ar 6 05

Le Raleigh, N.C. (CCC) Ar 7 00
 Date Gap. Ar 7 00
 *Putneyberg. Ar 7 00
 Stony Creek. Ar 7 00
 Jarrett. Ar 7 00
 Emporia. Ar 7 00
 Shippensburg. Ar 7 00
 Pleasant Hill, N.C. Ar 7 00
 Roanoke Rapids. Ar 7 00
 Roanoke Rapids. Ar 7 00
 Littleton. Ar 7 00
 Macon. Ar 7 00
 Warrenton. Ar 7 00
 Brinkleyville. Ar 7 00
 Centerville. Ar 7 00
 Louisburg. Ar 7 00
 Rolesville. Ar 7 00
 Raleigh, N.C. (CCC) Ar 7 00

Washington, N.C.—Engelhard

DOWN Operated by Engelhard-Washington Bus Line UP

Bus	ExS	(EST)	3115	1-1-60	ExS	Sun
10	2 35	Le Washington, N.C. Ar 10 00	2 35	10 00	2 35	2 35
23	3 25	Panteego. Ar 9 10	3 25	9 10	3 25	3 25
35	3 35	Bolivarvan. Ar 9 00	3 35	9 00	3 35	3 35
75	3 35	Sheraton. Ar 8 25	3 35	8 25	3 35	3 35
79	2 35	Sinclairquarter. Ar 8 00	2 35	8 00	2 35	2 35
81	4 45	New Holland. Ar 7 40	4 45	7 40	4 45	4 45
93	5 05	Le Engelhard, N.C. Ar 7 15	5 05	7 15	5 05	5 05

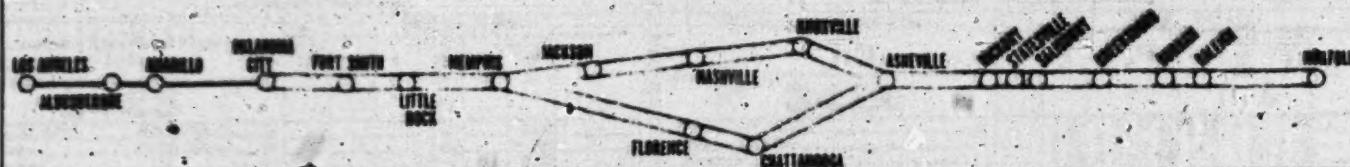
UP (EST) 3115 6-24-60

Bus	ExS	(EST)	3115	6-24-60	ExS	Sun
15	10 35	Le Fayetteville, N.C. Ar 8 15	10 35	8 15	10 35	10 35
19	11 10	Dunn. Ar 7 20	11 10	7 20	11 10	11 10
24	11 22	Benson. Ar 7 25	11 22	7 25	11 22	11 22
30	11 55	Smithfield. Ar 7 35	11 55	7 35	11 55	11 55
48	11 53	Seims. Ar 8 15	11 53	8 15	11 53	11 53
55	12 45	Wilson. Ar 8 45	12 45</td			

CONDENSED THRU-LINER ROUTES

Table 1

"The Arrow Route"



Norfolk—Asheville—Memphis—Los Angeles also St. Louis

1 AND DOWN

READ UP

All trips operate daily unless otherwise noted.

Source:

Russell's Official National Motor Coach Guide, January 1961

Vol. 103

Exhibit 17 to Petition

103

Refer to Station Column or Table Headings For the Time System Used.

Table 3425-3428

SEASHORE TRANSPORTATION COMPANY

ORINNSBORO—RALEIGH—ROCKY MOUNT—
GOLDSBORO—NEW BERN—CHERRY POINT—
BEAUFORT

BEAUFORT—CHERRY POINT—NEW BERN—
GOLDSBORO—ROCKY MOUNT—
RALEIGH—GREENSBORO

EASTERN STANDARD TIME 1-11-61									
READ DOWN									
	1	2	3	4	5	6	7	8	9
3425									
Winston, N.C.									
Winston-Salem (900)									
Raleigh (900)									
Goldsboro (900)									
New Bern (900)									
Cherry Point									
New Bern									
Rocky Mount									
Greenville									
Durham									
Winston-Salem (110) (900)									
Winston-Salem (900)									
Raleigh (900)									
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Goldsboro (900)									
New Bern (900)									
Cherry Point									
Winston, N.C.									
W									

FLIGHT 124
9 15 AM
EVERY DAY

Now - CHICAGO - Direct

FLIGHT 127
600
PM
RETURNING

All First Class

Fly EASTERN—With Confidence

Raleigh-Durham

SUPERIOR QUALITY SUPERIOR SERVICE

Prosper Golden Felt
Indicates Via Connecting Flights
FEBRUARY 1, 1961
All Times Are Local Times

FLIGHT 768

**FAST — DIRECT SERVICE — NEW
PITTSBURGH-DETROIT
AND GREAT LAKES AREA**

DAILY
EXCEPT
SAT.

FOR RESERVATIONS AND CONNECTIONS
PLEASE CALL
CHAPEL HILL 942-4182
DURHAM 596-2111 or RALEIGH TE.4-6211

SAFETY IS A PRIORITY

SOUTH BOUND

SOUTHBOUND

*At New York—From New York Airport—20 minutes.
At Atlanta—To and From downtown via Atlanta Midway
Airport.

TYPICAL CAPITAL NIGHTCOACH FARES

NEW YORK	to NEW ORLEANS	\$36.10
NEW YORK	to CHICAGO	\$10.00
NEW YORK	to BIRMINGHAM	\$41.40
NEW YORK	to ATLANTA	\$35.05
WASHINGTON	to ATLANTA	\$10.00

WASHINGTON	to NEW ORLEANS	\$47.15
WASHINGTON	to CHICAGO	\$36.25
MINNEAPOLIS/ST. PAUL	to CHICAGO	\$21.25
MINNEAPOLIS/ST. PAUL	to DETROIT	\$26.00
MINNEAPOLIS/ST. PAUL	to NEW YORK	\$41.00

Page 17

Source:

~~Capital Airlines Timetable~~
Capital Airlines Timetable
Folder, dated January 23, 1961

101. 106

Exhibit 20 to Petition

106

SOUTHEAST

卷之三

*'44 New York—From New York At Large—Sistering.



2 blocks from downtown Peachtree St.
or Reservations, Phone MUrray 8-1882 TWX AT 704

~~Fly from East Gate 21 to Motel via
Atlanta Helicopter Airways, Inc. Scheduled Flights~~

ATLANTA'S LARGEST & FINEST

Page 18

Source:

Capital Airlines Timetable
Folder, dated January 23, 1961

107

EXHIBIT NO.

NORTH BOUND

NORTHBOUND

Digitized by srujanika@gmail.com

*At New York—To New York Airports—50 minutes.
At Atlanta—To and From downtown via Atlanta Heliport—
Airways.

TYPICAL FLORIDA COACH FARES

DAY COACH

AKRON/CANTON MIAMI SS105 **BUFFALO** MIAMI SS7.15
YOUNGSTOWN MIAMI SS105 **BUFFALO** TAMPA SS100
PITTSBURGH MIAMI SS120 **ROCHESTER** MIAMI SS100
PITTSBURGH TAMPA SS140 **ROCHESTER** TAMPA SS130

NIGHT COACH

PITTSBURGH	to MIAMI	\$47.15	BUFFALO	to MIAMI	\$51.75
CLEVELAND	to TAMPA	\$48.85	BUFFALO	to TAMPA	\$52.25
PITTSBURGH	to TAMPA	\$48.85	ROCHESTER	to MIAMI	\$53.00
			ROCHESTER	to TAMPA	\$54.45

ALL FARES SUBJECT TO 10% FEDERAL TAX

Page 20

Source:

Capital Airlines Timetable
Folder dated January 23, 1961

108

EXHIBIT NO.

100

NORTH BOUND

NORTHBOUND

1000 1000
1000 1000
1000 1000

[fol. 109]

New York's Newest
HOTEL
EDISON
42nd to 47th STS. • Circle 6-5000
Just west of BWAY



**Ampie
Banquet
Facilities for
20 to 1000**

**1000 AIR CONDITIONED ROOMS, each with
TUB • SHOWER and RADIO...TELEVISION**
Dining Rooms Scientifically Air Conditioned
BUSINESS MEETINGS • COCKTAIL PARTIES • DINNERS

Sources:

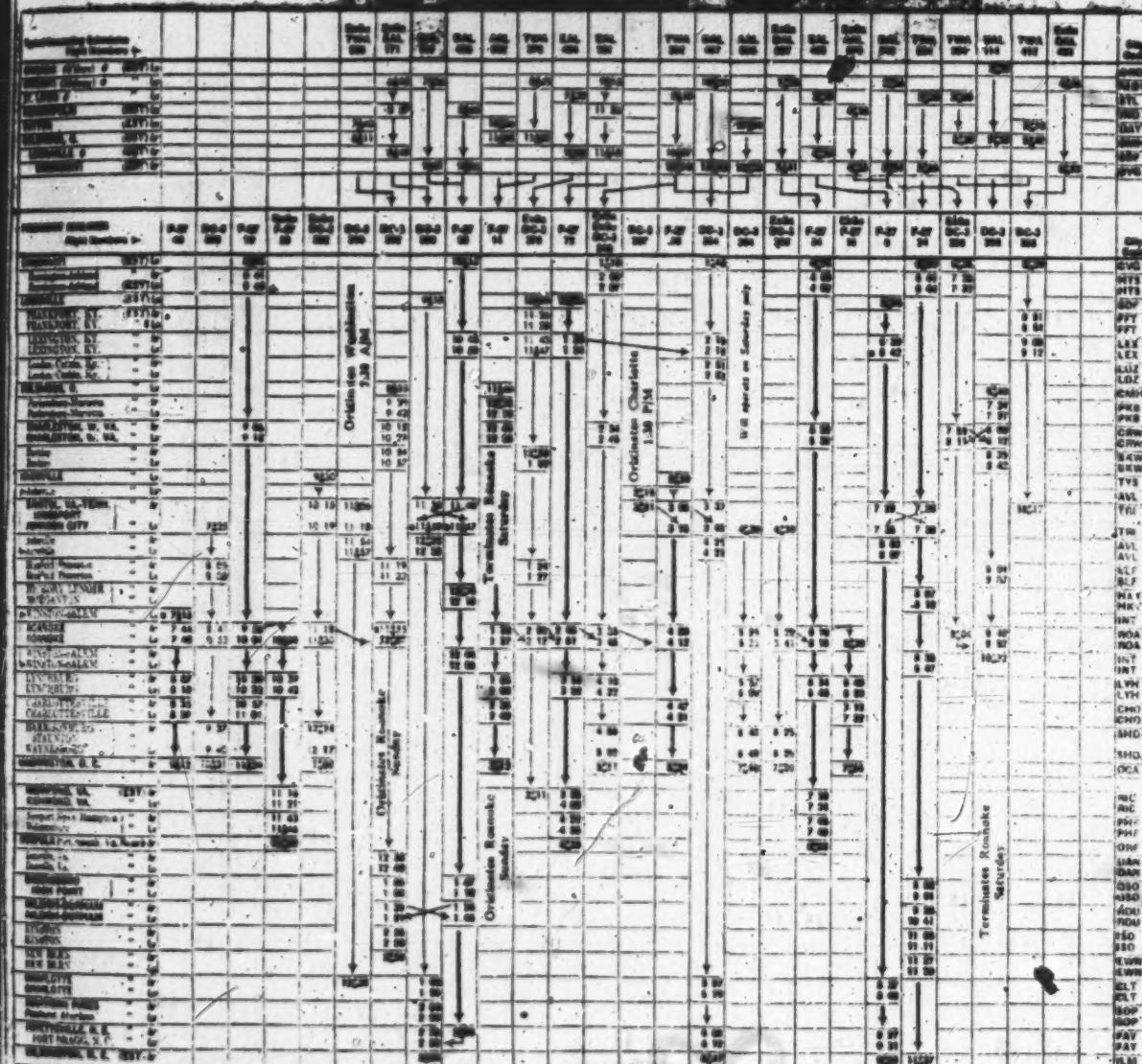
Capital Airlines Timetable
Folder dated January 23, 1961

EXHIBIT NO.

[fol. 110]

EXHIBIT 21 TO PETITION

FLY PIEDMONT AIRLINES



Source:

Piedmont Airlines Timetable
Folder, effective Jan. 15, 1961.

The Route of the Pacemakers

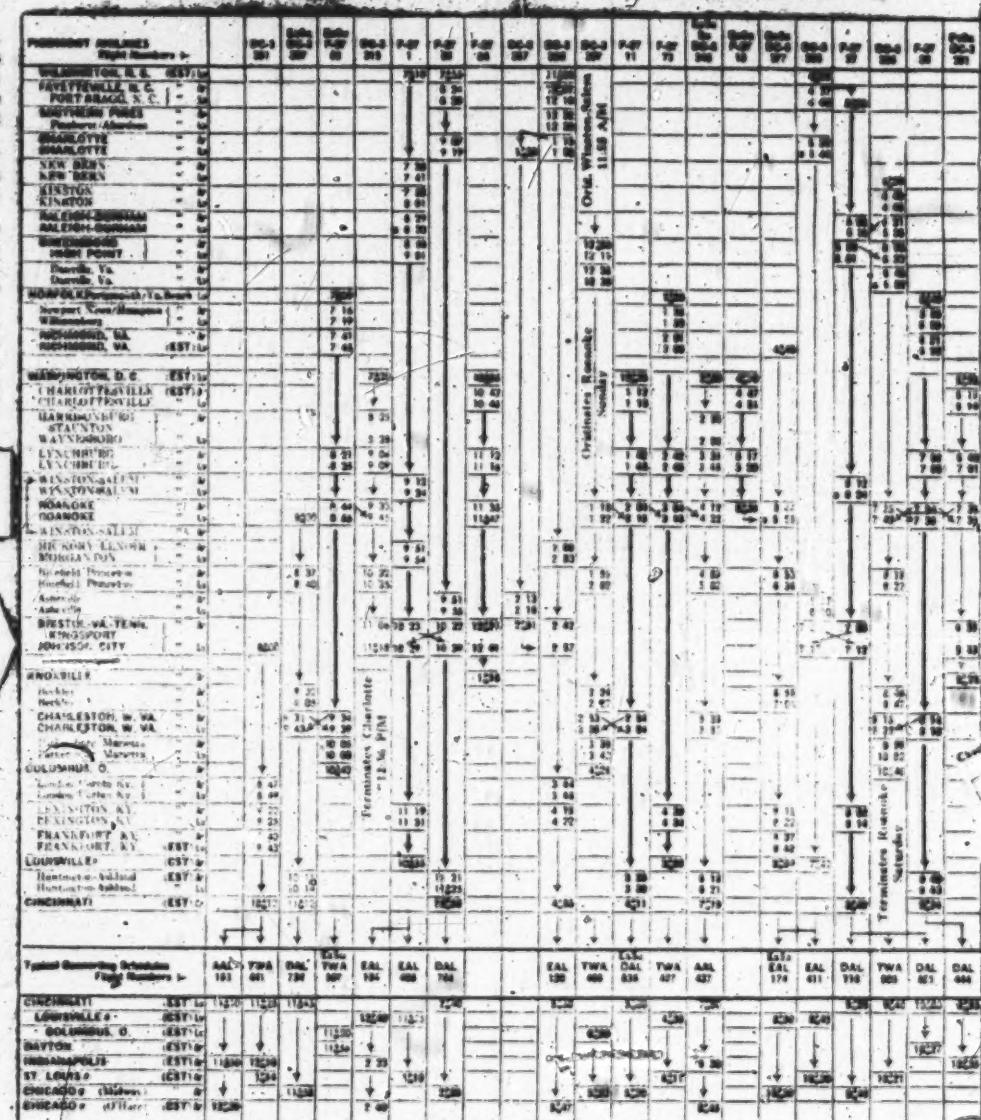


EXHIBIT No.

COMPARISON OF AIR LINE TRAFFIC DEPARTING
FROM GREENSBORO-HIGH POINT AND RALEIGH-
DURHAM AIRPORTS YEARS 1949 AND 1959

GREENSBORO-HIGH POINT AIRPORT

<u>Calendar Year</u>	<u>Aircraft Departures</u>	<u>Passengers</u>	<u>Average No. Passengers Boarding Departing Planes</u>	<u>Air Mail (Tons)</u>	<u>Cargo (Tons)</u>
1959	12,731	92,721	7.3	214.6	452.5
1949	9,854	25,479	2.6	105.6	146.4
Percent of Increase 1949-1959	29.2%	263.9%		103.2%	209.1%

RALEIGH-DURHAM AIRPORT

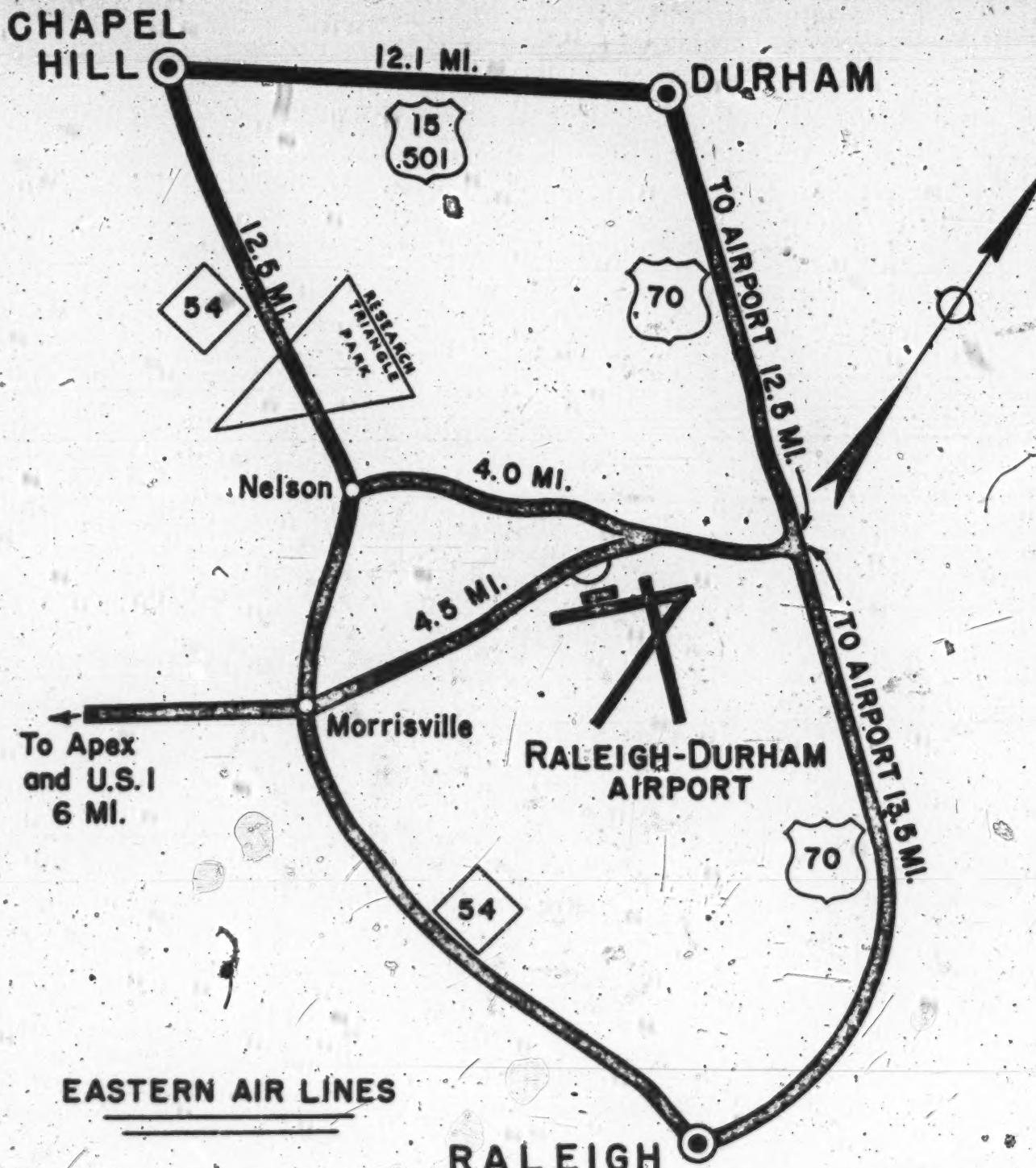
<u>Calendar Year</u>	<u>Aircraft Departures</u>	<u>Passengers</u>	<u>Average No. Passengers Boarding Departing Planes</u>	<u>Air Mail (Tons)</u>	<u>Cargo (Tons)</u>
1959	11,480	131,644	11.4	151.8	361.2
1949	9,603	38,791	4.0	87.1	134.1
Percent of Increase 1949-1959	19.5%	239.4%		74.3%	169.4%

Source:

Air Commerce Traffic Pattern, Calendar Year 1959, dated June 1960, Federal Aviation Agency and Enplaned Airline Traffic by Community, Calendar Year 1949, dated June 1950, Civil Aeronautics Administration, U. S. Department of Commerce.

[fol. 111]

EXHIBIT 22 TO PETITION



urce:

Eastern Air Lines Timetable, dated February 1, 1961.

[fol. 112]

Exhibit 23 to Petition

112

[fol. 113]

EXHIBIT 24 TO PETITION

SOUTHERN RAILWAY COMPANY

PASSENGERS HANDLED ON TRAIN 13 (OPERATING DAILY GOLDSBORO, N. C. TO GREENSBORO, N. C.)
YEAR 1959 - 365 TRIPS

		TO																				
		Rose, N. C.	Princeton, N. C.	Pine Level, N. C.	Selma, N. C.	Wilsons Mills, N. C.	Clayton, N. C.	Garner, N. C.	Raleigh, N. C.	Cary, N. C.	Durham, N. C.	Glenn, N. C.	Hillsboro, N. C.	Kiland, N. C.	Nebane, N. C.	Hav River, N. C.	Graham, N. C.	Burlington, N. C.	Eton College, N. C.	Gibsonville, N. C.	McLeansville, N. C.	Greensboro, N. C.
		On	D/A*	Off	D/A*	1.	144	16	382	7	1	2	455	2	112	17	13	2	2	22	456	
Goldsboro,	N.C.	1,634	4.5	-	-	1.	144	16	382	7	1	2	455	2	112	17	13	2	2	22	456	
Rose,		-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Princeton,		73	.2	144	* .4		1	38		9	3	2	11	10		1		1		11		
Pine Level,		28	.1	17	-				5	41	11	97	123	4		11	1			61		
Selma,		354	1.0	429	1.2				2		15	15	13							4		
Wilsons Mills,		34	.1	12	-					5		84	2	50						16		
Clayton,		164	.4	47	.1						35	1	5							1		
Garner,		43	.1	18	-							100	185	1	7	7	1	24	5	423		
Raleigh,		754	2.1	699	1.9								3		33	135	15	28	56	5		
Gary,		8	-	105	.3															5		
Durham,		2,025	5.6	510	1.4															1,754		
Glenn,		2	-	34	.1															2		
Hillsboro,		59	.2	156	.4															44		
Kiland,		1	-	22	.1															1		
Nebane,		76	.2	57	.2															46		
Hav River,		3	-	4	-															3		
Graham,		5	-	3	-															5		
Burlington,		1,171	3.2	160	.4															1,050		
Eton College,		15	-	16	-															15		
Gibsonville,		18	-	117	.3															18		
McLeansville,		-	-	1	-																	
Greensboro,		-	-	3,910	10.7																	
Total		6,162	17.7	6,462	17.7	1	144	17	420	12	47	18	699	105	510	34	156	22	57	4 3 160 16 117 1 3,910		

Daily Average

113

SOUTHERN RAILWAY COMPANY

[fol. 114]

PASSENGERS HANDLED ON TRAIN 16 (OPERATING DAILY GREENSBORO, N. C. TO GOLDSBORO, N. C.)
YEAR 1929 - 365 TRIPS

TON

TO

		McLeansville, N. C.	Gibsonville,	Eton College,	Burlington,	Graham,	Hav River,	Mebane,	Reedland,	Hillsboro,	Glencairn,	Durham,	Morrisville,	Raleigh,	Carter,	Clayton,	Wilson's Mills,	Salina,	Pine Level,	Princeton,	Goldboro,			
	On	D/A*	OFF	D/A*																				
Greensboro, N.C.	4560	12.5	-	-	1	57	78	1152	14	2	46	8	25	1	2252	473	2	7	31	2	10	399		
McLeansville,	-	-	1	-																				
Gibsonville,	19	.1	57	.2													1							
Eton College,	3	-	78	.2													3							
Burlington,	134	.4	1170	3.2						1	19	6	11		37	21	1	1	16	1	21			
Graham,	-	-	15	-																				
Hav River,	17	-	21	.1							10				4	1						2		
Mebane,	107	.3	62	.2								5			85	9						8		
Reedland,	17	-	8	-											8	9								
Hillsboro,	108	.3	41	.1											97	1	1		3		6			
Glencairn,	29	.1	1	-											28	1								
Durham,	1107	3.0	2511	6.9												1	920	2	9	11	53	12	7	92.
Morrisville,	1	-	2	-																			1	
Cary,	37	.1	-	-													35	1						1
Raleigh,	848	2.3	1474	4.0													6	415	15	20	1	4		387
Garner,	43	.1	10	-													6		33	1	2		1	
Clayton,	116	.3	439	1.2													5	107	1					3
Wilson's Mills,	13	-	31	.1													2	11						
Salina,	196	.5	262	.7															5	10		181		
Pine Level,	17	-	36	.1													2			2		15		
Princeton,	417	1.1	36	.1																		417		
Goldsboro,	-	-	1534	4.2																				
Total	7789	21.3	7789	21.3	1	57	78	1170	15	21	62	8	41	1	2511	2	1474	10	439	31	262	36	36	1534

* Daily Average

SOUTHERN RAILWAY COMPANY

[fol. 115]

PASSENGERS HANDLED ON TRAIN 13 (OPERATING DAILY GOLDSBORO, N. C. TO GREENSBORO, N. C.)
YEAR 1960 - 366 TRIPS

	TO																							
	On	D/A *	Off	D/A *	Rose, N.C.	Princeton, N.C.	Pine Level, N.C.	Selma, N.C.	Wilsons Mills, N.C.	Clayton, N.C.	Garner, N.C.	Raleigh, N.C.	Cary, N.C.	Durham, N.C.	Glen, N.C.	Hillsboro, N.C.	Efland, N.C.	Mebane, N.C.	Bay River, N.C.	Graham, N.C.	Burlington, N.C.	Eton College, N.C.	Gibsonville, N.C.	Greensboro, N.C.
Goldsboro, N.C.	989	2.7	-	-	2	130	8	159	17	4	125	2	111	1	10	8	3	19	1	19	1	392		
me, N.C.	1	-	2	-							1						3	6				10		
Princeton, N.C.	75	.2	130	.4		10	33	1	3	1														
Pine Level, N.C.	18	-	18	-			9																	
Selma, N.C.	340	.9	201	.5				5	12	136														
Wilsons Mills, N.C.	29	.1	23	.1					1	11	13													
Clayton, N.C.	124	.3	17	-					3	75	25													
Gardner, N.C.	57	.2	6	-					22	4	27													
Raleigh, N.C.	826	2.3	371	1.0						63	162	2	2	4	4	3	38	4	544					
Cary, N.C.	25	.1	70	.2						2												20		
Durham, N.C.	2929	8.0	453	1.2							50	248	5	19	11	36	15	2545						
Glen, N.C.	1	-	53	.1																				
Hillsboro, N.C.	54	.1	266	.7																		35		
Efland, N.C.	-	-	12	-																		0		
Mebane, N.C.	117	.3	38	.1																		92		
Bay River, N.C.	1	-	12	-																		1		
Graham, N.C.	4	-	3	-																		4		
Burlington, N.C.	1464	4.0	156	.4																		1291		
Eton College, N.C.	17	-	57	.2																		17		
Gibsonville, N.C.	8	-	140	.4																		8		
Greensboro, N.C.	-	-	5048	13.8																				
Total		7076	19.3		2	130	18	201	23	17	6	371	70	453	53	266	12	38	12	5	156	57	140	5048

* Daily Average

SOUTHERN RAILWAY COMPANY

[fol. 116]
 PASSENGERS HANDLED ON TRAIN 16 (OPERATING DAILY GREENSBORO, N. C. TO GOLDSBORO, N. C.)
 YEAR 1960 - 366 TRIPS

TO

	On	D/A*	Off	D/A*	McLeansville, N.C.	Gibsonville, N.C.	Sloan College, N.C.	Burlington, N.C.	Graham, N.C.	Haw River, N.C.	Mebane, N.C.	Efland, N.C.	Hillaboro, N.C.	Glenn, N.C.	Durham, N.C.	Morrisville, N.C.	Cary, N.C.	Raleigh, N.C.	Garner, N.C.	Clayton, N.C.	Wilsons Mills, N.C.	Selma, N.C.	Pine Level, N.C.	Princeton, N.C.	Goldsboro, N.C.
Greensboro, N.C.	5,101	13.9	-	-	2	17	51	1,260	4	12	61	1	41	1	2,524	633	3	5	3	40	80	362			
Meansville, N.C.	-	-	2	-																					
Gibsonville, N.C.	3	-	17	-																					
Sloan College, N.C.	19	.1	51	.1																					
Burlington, N.C.	112	.3	1,275	3.5																					
Graham, N.C.	4	-	4	-																					
Haw River, N.C.	4	-	25	.1																					
Mebane, N.C.	68	.2	63	.2																					
Efland, N.C.	14	-	2	-																					
Hillaboro, N.C.	127	.3	58	.2																					
Glenn, N.C.	14	-	4	-																					
Durham, N.C.	775	2.1	2,712	7.4																					
Morrisville, N.C.	-	-	4	-																					
Cary, N.C.	14	-	13	-																					
Raleigh, N.C.	66	1.8	1,274	3.5																					
Garner, N.C.	49	.1	17	-																					
Clayton, N.C.	174	.5	374	1.0																					
Wilsons Mills, N.C.	4	-	30	.1																					
Selma, N.C.	147	.4	343	.9																					
Pine Level, N.C.	26	.1	20	.1																					
Princeton, N.C.	378	1.0	133	.4																					
Goldsboro, N.C.	-	-	1,279	3.5																					
Total	7,700	21.0	7,700	21.0	2	17	51	1,275	4	25	63	2	58	4	2,712	4	13	1274	17	374	30	343	20	133	1,279

* Daily Average

SOUTHERN RAILWAY COMPANY

Passenger Traffic Statistics

Trains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N. C.

Year 1959

	<u>Trains 13 and 16</u>	<u>Train No. 13</u>	<u>Train No. 16</u>
Number of Trips Operated	730	365	365
Trip Mileage	129	129	129
Total Train Miles Operated	94,170	47,085	47,085
Total Number of Passengers Carried	14,251	6,462	7,789
Total Passenger Miles	643,398	306,348	337,050
Total Passenger Revenue	\$ 19,839	\$ 9,383	\$ 10,456
Average Number of Passengers Per Trip	19.5	17.7	21.3
Average Miles Per Passenger	45.1	47.4	43.3
Average Revenue Per Passenger (Cents)	139.211	145.203	134.241
Average Passenger Revenue Per Train Mile (Cents)	21.067	19.928	22.207
Average Passenger Miles Per Train Mile	6.83	6.51	7.16

[fol. 117]

EXHIBIT 25 TO PETITION

SOUTHERN RAILWAY COMPANY

Passenger Traffic Statistics

Trains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N. C.

Year 1960

	<u>Trains 13 and 16</u>	<u>Train No. 13</u>	<u>Train No. 16</u>
Number of Trips Operated	732	366	366
Trip Mileage	129	129	129
Total Train Miles Operated	94,428	47,214	47,214
Total Number of Passengers Carried	14,776	7,076	7,700
Total Passenger Miles	691,982	337,898	354,084
Total Passenger Revenue	\$ 21,135	\$ 10,394	\$ 10,741
Average Number of Passengers Per Trip	20.2	19.3	21.0
Average Miles Per Passenger	46.8	47.8	46.0
Average Revenue Per Passenger (Cents)	143.036	146.891	139.494
Average Passenger Revenue Per Train Mile (Cents)	22.382	22.015	22.750
Average Passenger Miles Per Train Mile	7.33	7.16	7.50

[Total 118]

[fol. 119]

SOUTHERN RAILWAY COMPANYEXHIBIT 26 TO PETITIONTrains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N. C.Passenger Traffic Statistics

Year	Train No. 13					Train No. 16					Total - Trains Nos. 13 and 16				
	No. of Trips	No. of Pass.	Passenger Revenue	Ave. No. of Pass. Per Trip	Average Pass. Rev. Per Trip	No. of Trips	No. of Pass.	Passenger Revenue	Ave. No. of Pass. Per Trip	Average Pass. Rev. Per Trip	No. of Trips	No. of Pass.	Passenger Revenue	Ave. No. of Pass. Per Trip	Average Pass. Rev. Per Trip
1948	366	34,094	\$35,373	93.15	\$96.65	366	22,645	\$25,161	61.87	\$68.75	732	56,739	\$60,534	77.51	\$82.70
1949	365	24,184	30,625	66.26	83.90	365	15,904	19,732	43.57	54.06	730	40,088	50,357	54.92	68.98
1950	325	15,578	21,595	47.93	66.45	325	11,046	14,142	33.99	43.51	650	26,624	35,737	40.96	54.98
1951	365	16,904	24,685	46.31	67.63	365	12,265	15,772	33.60	43.21	730	29,169	40,457	39.96	55.42
1952	366	14,537	22,549	39.72	61.61	366	11,138	15,628	30.43	42.70	732	25,675	38,177	35.08	52.15
1953	365	12,187	18,521	33.39	50.74	365	9,921	14,131	27.18	38.72	730	22,108	32,652	30.28	44.73
1954	365	10,437	15,792	28.60	43.27	365	8,433	11,869	23.10	32.52	730	18,870	27,661	25.85	37.89
1955	365	10,847	16,344	29.72	44.78	365	9,601	13,279	26.30	36.38	730	20,448	29,623	28.01	40.58
1956	366	10,915	17,389	29.82	47.51	366	9,317	12,876	25.46	35.18	732	20,232	30,265	27.64	41.35
1957	365	7,964	12,726	21.82	34.87	365	7,794	11,117	21.35	30.46	730	15,758	23,843	21.59	32.66
1958	365	8,082	12,942	22.14	35.46	365	8,337	12,213	22.84	33.46	730	16,419	25,155	22.49	34.46
1959	365	6,462	9,383	17.70	25.71	365	7,789	10,456	21.34	28.65	730	14,251	19,839	19.52	27.18
1960	366	7,076	10,394	19.33	28.40	366	7,700	10,741	21.04	29.35	732	14,776	21,135	20.19	28.87

SOUTHERN RAILWAY COMPANY

Operating Results of Passenger Trains Nos. 13 and 16

Greensboro, N. C. to Goldsboro, N. C.

Year 1959

	Train No. 13	Train No. 16	Total
<u>Revenues:</u>			
Passenger	\$ 9,383	\$10,456	\$ 19,839
Express	15,832	16,043	31,875
Miscellaneous	-	356	356
Total Revenues	\$25,215	\$26,855	\$ 52,070
<u>Direct Expenses:</u>			
Wages, Train and Engine Crews	\$47,290	\$42,968	\$ 90,258
Payroll Tax, R.R. Retirement & Unemp. Ins.	2,507	2,507	5,014
Train Fuel	6,168	6,168	12,336
Pullman Cov Net Loss	3,343	3,343	6,686
Engine House Expenses	984	984	1,968
Passenger Locomotive Lubricants	927	927	1,854
" Other Supplies	192	192	384
" Repairs	10,344	10,344	20,688
" Train Cars-CHLW & Icing	3,784	3,817	7,601
" " Lubricants	207	210	417
" " Other Expenses	442	449	891
" " Repairs	7,820	7,961	15,781
" " -Air Conditioning	2,123	2,128	4,251
Goldsboro Union Station	3,175	3,175	6,350
Rental of Equipment	196	232	428
Total Direct Expenses	\$89,502	\$85,405	\$174,907
Direct Expenses in Excess of Revenues	\$64,287	\$58,550	\$122,837
Ratio - Total Direct Expenses to Total Revenues			336
i.e. \$3.36 was expended to earn a revenue dollar.			

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EXHIBIT 27 TO PETITION

Items of Expense Not Included:

Maintenance of Way-Tracks and Structures
 " " -Supervision-Depreciation-Retirements
 Maintenance of Equipment-Supervision-Depreciation-Retirements
 All Traffic Expenses
 Transportation-Supervision-Train Dispatching and numerous
 Overhead Accounts
 All General Expenses
 All Taxes - except Payroll
 All Fixed Charges, i.e., Bond Interest, etc.

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EXHIBIT 28 TO PETITION

INDEX OF SCHEDULES

- Schedule No. 1 - Sheet 1 of 3 - Operating Results of Passenger Trains 13 and 16 Between Greensboro and Goldsboro, N.C.
" 1 - " 2 of 3 - " " Train 13 " Goldsboro and Greensboro, N.C.
" 1 - " 3 of 3 - " " Train 16 " Greensboro and Goldsboro, N.C.
- " 12 - Passenger Revenue - Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 3 - Express Revenue - Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 4 - Sheet 1 of 4 - Crew Wages, Train 13 Goldsboro - Greensboro, N.C.
" 4 - " 2 of 4 - " " 16 Greensboro - Goldsboro, N.C.
" 4 - " 3 of 4 - Analysis of Crew Wages, Train 13 - Goldsboro - Greensboro, N.C.
" 4 - " 4 of 4 - " " " 16 - Greensboro - Goldsboro, N.C.
- " 5 - Locomotive Fuel Expenses - Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 6 - Passenger Locomotive Expenses - Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 7 - Passenger Train Supplies and Expenses - Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 8 - Passenger Train Car Repair Expenses - Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 9 - Passenger Train Supplies and Expenses - Air Conditioning Trains 13 and 16 - Greensboro - Goldsboro, N.C.
- " 10 - Joint Facility Station Expenses - Trains 13 and 16 - Goldsboro Union Station Company
-

[fol. 122]

Schedule 1
Sheet 1 of 3 Sheets

SOUTHERN RAILWAY COMPANYOperating Results of Passenger Trains 13 and 16 between Greensboro, N. C. and Goldsboro, N. C.Year 1960

	January 1960	February 1960	March 1960	April 1960	May 1960	June 1960	July 1960	August 1960	September 1960	October 1960	November 1960	December 1960	Year 1960	
<u>Revenues:</u>														
100	Passenger (Sch. 2)	\$ 1,820	\$ 2,497	\$ 2,228	\$ 1,919	\$ 1,833	\$ 2,013	\$ 1,542	\$ 1,607	\$ 1,036	\$ 1,436	\$ 1,501	\$ 1,703	\$ 21,135
107	Express (Sch. 3)	1,606	2,140	3,063	4,826	2,142	2,267	956	2,558	2,383	3,859	2,340	3,490	31,630
120	Miscellaneous	26	26	26	26	26	26	26	26	26	26	26	26	336
	Total Revenues	\$ 3,454	\$ 4,665	\$ 5,319	\$ 6,773	\$ 4,003	\$ 4,308	\$ 2,526	\$ 4,193	\$ 3,447	\$ 5,323	\$ 3,869	\$ 5,221	\$ 53,101
<u>Direct Expenses:</u>														
300-401	Wages, Train and Engine Crews (Sch. 4)	\$ 7,736	\$ 7,268	\$ 7,736	\$ 7,502	\$ 7,770	\$ 7,052	\$ 7,433	\$ 7,433	\$ 7,193	\$ 7,433	\$ 7,193	\$ 7,433	\$ 89,182
302	Payroll Tax (Sch. 4)	462	462	462	462	462	420	420	420	420	420	420	420	5,250
304	Train Fuel (Sch. 5)	966	886	1,012	894	932	910	934	954	916	946	926	968	11,244
400	Injuries to Persons	-	-	500	-	-	-	-	-	-	-	-	-	500
417	Damage to Live Stock on R/W	-	-	-	50	-	-	-	-	-	-	-	-	50
423	Pullman Co. Net Loss	86	80	46	200	224	278	700	620	1,074	334	348	236	64,226
430	Engine House Expenses (Sch. 6)	166	134	136	132	138	122	156	130	116	122	114	124	1,590
306	Passenger Locomotive Lubricants .. (Sch. 6)	202	132	152	142	138	182	130	166	132	158	160	122	1,816
309	" Other Suppl.. (Sch. 6)	18	32	30	34	34	36	30	26	38	32	32	30	372
411	" Repairs .. (Sch. 6)	1,982	2,016	2,064	1,906	1,838	1,814	1,772	1,766	1,706	1,656	1,538	1,528	21,586
422	Train Cars-CHW & Icing. (Sch. 7)	642	657	696	624	582	598	564	554	536	529	655	527	7,164
428	" -Lubricants .. (Sch. 7)	40	39	34	26	40	40	34	42	40	38	43	31	447
428	" -Other Exps... (Sch. 7)	84	72	95	70	70	85	58	88	68	83	75	94	942
417	" -Repairs (Sch. 8)	1,072	1,285	1,376	1,703	1,395	1,157	1,061	744	997	1,025	1,024	653	13,692
422	" -Air Cond. ... (Sch. 9)	400	455	401	400	504	350	322	452	528	542	404	302	5,060
	Goldsboro Union Station (Sch. 10)	586	584	600	552	490	588	692	538	592	568	562	588	6,940
	Rental of Equipment	100	21	8	34	54	9	6	70	70	139	2	168	681
	Total Direct Expenses	\$14,542	\$14,123	\$15,348	\$14,681	\$14,721	\$13,641	\$14,312	\$14,003	\$14,426	\$14,225	\$13,496	\$13,224	\$170,742
	Direct Expenses in Excess of Revenues	\$11,088	\$ 9,458	\$10,029	\$ 7,908	\$10,718	\$ 9,333	\$11,786	\$ 9,810	\$10,979	\$ 8,902	\$ 9,627	\$ 8,003	\$117,641
	Car Miles Operated	27,719	27,802	28,646	26,974	28,172	27,556	27,652	30,035	27,251	27,282	29,427	26,953	335,469
	Train Miles Operated	7,998	7,482	7,998	7,740	7,998	7,740	7,998	7,998	7,740	7,998	7,740	7,958	94,388
	Revenue Per Train Mile (Cents)	43.186	62.350	66.504	87.506	50.050	55.659	31.583	52.426	44.535	66.554	49.987	65.607	56.258
	Direct Expenses Per Train Mile (Cents)	181.820	188.760	191.898	189.677	184.058	176.240	178.945	175.081	186.382	177.857	174.367	166.172	180.894
	Direct Expenses in Excess of Revenue Per Train Mile (Cents)	138.634	126.410	125.394	102.171	134.008	120.581	147.362	122.655	141.847	111.303	124.380	100.565	124.636

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Schedule 1
Sheet 2 of 3 Sheets

SOUTHERN RAILWAY COMPANYOperating Results of Passenger Train 13 Between Goldsboro, N. C. and Greensboro, N. C.Year 1960

	<u>January</u> <u>1960</u>	<u>February</u> <u>1960</u>	<u>March</u> <u>1960</u>	<u>April</u> <u>1960</u>	<u>May</u> <u>1960</u>	<u>June</u> <u>1960</u>	<u>July</u> <u>1960</u>	<u>August</u> <u>1960</u>	<u>September</u> <u>1960</u>	<u>October</u> <u>1960</u>	<u>November</u> <u>1960</u>	<u>December</u> <u>1960</u>	<u>Year</u> <u>1960</u>
Revenues:													
102 Passenger.....(Sch. 2)	\$ 935	\$1,218	\$1,071	\$ 942	\$ 779	\$1,085	\$ 832	\$ 774	\$ 464	\$ 713	\$ 744	\$ 837	\$10,394
107 Express.....(Sch. 3)	803	1,070	1,508	2,392	1,064	1,107	474	1,271	1,184	1,913	1,162	1,734	15,682
Total Revenues.....	\$1,738	\$2,288	\$2,579	\$3,334	\$1,843	\$2,192	\$1,306	\$2,045	\$1,648	\$2,626	\$1,906	\$2,571	\$26,076
Direct Expenses:													
392-401 Wages, Train and Engine Crews.....(Sch. 4)	\$4,055	\$3,809	\$4,055	\$3,932	\$4,073	\$3,708	\$3,908	\$3,908	\$3,782	\$3,908	\$3,782	\$3,908	\$46,626
532 Payroll Tax.....(Sch. 4)	231	231	231	231	231	210	210	210	210	210	210	210	2,625
394 Train Fuel.....(Sch. 5)	483	443	506	447	466	455	467	477	458	473	463	484	5,622
417 Damage to Live Stock on R/W.....			50										50
403 Pullman Co. Net Loss.....	43	40	23	100	112	139	350	310	537	167	174	118	2,113
400 Engine House Expenses.....(Sch. 6)	83	67	68	66	69	61	78	65	58	61	57	62	795
398 Passenger Locomotive Lubricants.....(Sch. 6)	101	66	76	71	69	91	65	83	66	79	80	61	908
399 " Other Suppl.....(Sch. 6)	9	16	15	17	17	18	15	13	19	16	16	15	186
311 " Repairs.....(Sch. 6)	991	1,008	1,032	953	919	907	886	883	853	828	769	764	10,793
402 " Train Cars-CHEW & Icing.....(Sch. 7)	323	319	343	312	291	297	282	263	268	261	303	269	3,527
402 " " Lubricants.....(Sch. 7)	20	19	17	13	20	20	17	20	20	19	20	16	221
402 " " -Other Exps.....(Sch. 7)	42	35	47	35	35	42	29	42	34	41	35	47	464
317 " " " Repairs.....(Sch. 8)	540	627	676	853	699	579	534	372	499	616	460	329	6,790
402 " " " Air Cond.....(Sch. 9)	200	221	197	200	252	175	161	226	264	271	202	151	2,520
Goldsboro Union Station.....(Sch. 10)	293	292	300	276	245	294	346	269	296	284	281	294	3,470
Rental of Equipment.....	50	-	1	17	27	-	-	35	35	70	1	84	320
Total Direct Expenses.....	\$7,464	\$7,193	\$7,587	\$7,523	\$7,575	\$6,996	\$7,348	\$7,176	\$7,399	\$7,304	\$6,859	\$6,808	\$87,232
Direct Expenses in Excess of Revenues.....	\$5,726	\$4,905	\$5,008	\$4,189	\$5,732	\$4,804	\$6,042	\$5,131	\$5,751	\$4,678	\$4,953	\$4,237	\$61,156
Car Miles Operated.....	13,935	13,500	14,128	13,506	14,107	13,670	13,826	14,258	13,636	13,456	13,615	13,552	165,189
Train Miles Operated.....	3,999	3,741	3,999	3,870	3,999	3,870	3,999	3,999	3,870	3,999	3,870	3,979	47,194
Revenue Per Train Mile (Cents).....	43.461	61.160	64.491	86.150	46.087	56.641	32.658	51.138	42.584	65.666	49.251	64.614	55.253
Direct Expenses Per Train Mile (Cents).....	186.647	192.275	189.722	194.393	189.422	180.775	183.746	179.445	191.189	182.645	177.235	171.098	184.837
Direct Expenses in Excess of Revenue Per Train Mile (Cents).....	143.186	131.115	125.231	108.243	143.335	124.134	151.088	128.307	148.605	116.979	127.984	106.484	129.584

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[fol. 124]

Schedule 1
Sheet 3 of 3 Sheets

SOUTHERN RAILWAY COMPANYOperating Results of Passenger Train 16 Between Greensboro, N. C., and Goldsboro, N. C.Year 1960

	January 1960	February 1960	March 1960	April 1960	May 1960	June 1960	July 1960	August 1960	September 1960	October 1960	November 1960	December 1960	Year 1960	
Revenues:														
102 Passenger	\$ 885	\$ 1,279	\$ 1,157	\$ 977	\$ 1,054	\$ 928	\$ 710	\$ 833	\$ 572	\$ 723	\$ 757	\$ 866	\$10,741	
107 Express	(" 3)	803	1,070	1,555	2,434	1,078	1,160	482	1,199	1,946	1,178	1,756	15,948	
108 Miscellaneous		28	28	28	28	28	28	28	28	28	28	28	336	
Total Revenues	\$ 1,716	\$ 2,377	\$ 2,740	\$ 3,439	\$ 2,160	\$ 2,116	\$ 1,220	\$ 2,148	\$ 1,799	\$ 2,697	\$ 1,963	\$ 2,650	\$27,025	
Direct Expenses:														
52-401 Wages, Train and Engine Crews	(Sch. 4)	\$ 3,681	\$ 3,459	\$ 3,681	\$ 3,570	\$ 3,697	\$ 3,344	\$ 3,525	\$ 3,525	\$ 3,411	\$ 3,525	\$ 3,411	\$ 3,525	\$42,354
532 Payroll Tax	(" 4)	231	231	231	231	231	210	210	210	210	210	210	210	2,625
194 Train Fuel	(" 5)	483	443	506	447	466	455	467	477	458	473	463	484	5,622
420 Injuries to Persons		-	500	-	-	-	-	-	-	-	-	-	500	
433 Pullman Co. Net Loss		43	40	23	100	112	139	350	310	537	167	174	118	2,113
400 Engine House Expenses	(Sch. 6)	83	67	68	66	69	61	78	65	58	61	57	62	795
398 Passenger Locomotive Lubricants ...	(" 6)	101	66	76	71	69	91	65	83	66	79	80	61	908
399 " " Other Suppl...	(" 6)	9	16	15	17	17	18	15	13	19	16	16	15	186
311 " " Repairs.....	(" 6)	991	1,008	1,032	953	919	907	886	883	853	828	769	764	10,793
422 " Train Cars-CH&W & Icing..	(" 7)	319	338	353	312	291	301	282	291	268	268	352	262	3,637
422 " " Lubricants....	(" 7)	20	20	17	13	20	20	17	22	20	19	23	15	226
422 " " Other Exps....	(" 7)	42	37	48	35	35	43	29	46	34	42	40	47	478
317 " " Repairs.....	(" 8)	532	658	700	850	696	578	527	372	498	609	558	324	6,902
422 " " Air Cond.....	(" 9)	200	234	204	200	252	175	161	226	264	271	202	151	2,540
Goldsboro Union Station	(" 10)	293	292	300	276	245	294	346	269	296	284	281	294	3,470
Rental of Equipment		50	21	7	17	27	9	6	35	35	69	1	84	361
Total Direct Expenses		\$ 7,078	\$ 6,930	\$ 7,761	\$ 7,158	\$ 7,146	\$ 6,645	\$ 6,964	\$ 6,827	\$ 7,027	\$ 6,921	\$ 6,637	\$ 6,416	\$83,510
Direct Expenses in Excess of Revenues.....		\$ 5,362	\$ 4,553	\$ 5,021	\$ 3,719	\$ 4,986	\$ 4,529	\$ 5,744	\$ 4,679	\$ 5,228	\$ 4,224	\$ 4,674	\$ 3,766	\$ 356,465
Car Miles Operated		13,784	14,302	14,518	13,468	14,065	13,886	13,826	15,777	13,615	13,826	15,812	13,401	170,280
Train Miles Operated		3,999	3,741	3,999	3,870	3,999	3,870	3,999	3,999	3,870	3,999	3,870	3,979	47,194
Revenue Per Train Mile (Cents)		42.911	63.539	68.517	88.863	54.014	54.677	30.508	53.713	46.486	67.442	50.724	66.600	57.264
Direct Expenses Per Train Mile (Cents)		176.994	185.245	194.073	184.961	178.695	171.705	174.144	170.717	181.576	173.068	171.499	161.247	176.950
Direct Expenses in Excess of Revenue Per Train Mile (Cents).....		134.083	121.706	125.556	96.098	124.681	117.028	143.636	117.004	135.090	105.626	120.775	94.647	119.686

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[fol. 125]

Schedule 2

SOUTHERN RAILWAY COMPANYPassenger Revenue I.C.C. Acct. 102Trains 13 and 16 Operating Between Greensboro, N. C., and Goldsboro, N. C.

Train 13 or 16

Miles
OperatedPassenger Revenue - (A/C 102)Train No. 13

Total

Per Train
Mile
(Cents)Passenger Revenue - (A/C 102)Train No. 16

Total

Per Train
Mile
(Cents)

January	1960	3,999
February	"	3,741
March	"	3,999
April	"	3,870
May	"	3,999
June	"	3,870
July	"	3,999
August	"	3,999
September	"	3,870
October	"	3,999
November	"	3,870
December	"	3,979

\$	935
	1,218
	1,071
	942
	779
	1,085
	832
	774
	464
	713
	744
	837

23.381
32.558
26.782
24.341
19.480
26.036
20.805
19.355
11.990
17.829
19.225
21.035

\$	885
	1,279
	1,157
	977
	1,054
	988
	710
	833
	572
	723
	757
	866

22.131
34.189
28.932
25.245
26.357
23.979
17.754
20.830
14.780
18.080
19.561
21.764

Total	47,194
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\$10,394

22.024

\$10,741

22.759

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[fol. 126]

Schedule 3

SOUTHERN RAILWAY COMPANYExpress RevenueTrains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N. C.

	Tr. 13 or 16 Miles Operated	Southern Railway Company			Train No. 13			Train No. 16		
		Express Revenue	Car Foot Miles	Avg. Rev. per Car Ft. Mile (Cents)	Car Foot Miles	Express Revenue	Exp. Rev. per Train Mile (Cents)	Car Foot Miles	Express Revenue	Exp. Rev. per Train Mile (Cents)
January	1960	3,999	\$ 179,389	42,109,695 .4260	188,531	\$ 803	20.080	188,531	\$ 803	20.080
February	"	3,741	227,999	39,860,465 .5720	187,019	1,070	28.602	187,019	1,070	28.602
March	"	3,999	322,302	43,662,286 .7382	204,254	1,508	37.709	210,715	1,555	38.885
April	"	3,870	534,517	41,399,498 1.2911	185,300	2,392	61.809	188,531	2,434	62.894
May	"	3,999	230,865	41,902,863 .5510	193,052	1,064	26.607	195,636	1,078	26.957
June	"	3,870	233,885	40,800,200 .5732	193,052	1,107	28.605	202,450	1,160	29.974
July	"	3,999	102,949	40,225,522 .2559	185,300	474	11.853	188,531	482	12.053
August	"	3,999	263,124	41,763,703 .6300	201,670	1,271	31.783	204,254	1,287	32.183
September	"	3,870	238,693	38,930,262 .6131	193,052	1,184	30.594	195,636	1,199	30.982
October	"	3,999	407,260	39,448,530 1.0324	185,300	1,913	47.837	188,531	1,946	48.662
November	"	3,870	233,361	38,761,225 .6020	193,052	1,162	30.026	195,636	1,178	30.439
December	"	3,979	357,985	40,026,053 .8944	193,917	1,734	43.579	196,283	1,756	44.132
Total		47,194	\$3,332,329	488,890,302 .6816	2,303,499	\$15,682	33.229	2,341,753	\$15,948	33.792

[fol. 127]

Schedule 4
Sheet 1 of 4SOUTHERN RAILWAY COMPANY.Crew-Wage ExpensesTrain No. 13 - Goldsboro, N. C. to Greensboro, N. C.

	<u>Train Miles</u>	<u>Engineer</u>	<u>Fireman</u>	<u>Conductor</u>	<u>Flagman</u>	<u>Baggage-master</u>	<u>Total Crew Wages</u>	<u>Payroll Taxes</u>	<u>Vacation Allowance 4%</u>	<u>Total Crew Wage Expense</u>	<u>Crew Wage Exp. per Train Mile (Cents)</u>
January	1960	3,999					\$ 3,899	\$ 231	\$ 156	\$ 4,286	107.177
February	"	3,741					3,663	231	146	4,040	107.993
March	"	3,999					3,899	231	156	4,286	107.177
April	"	3,870					3,781	231	151	4,163	107.571
May	"	3,999					3,916	231	157	4,304	107.627
June	"	3,870					3,565	210	143	3,918	101.240
July	"	3,999					3,758	210	150	4,118	102.976
August	"	3,999					3,758	210	150	4,118	102.976
September	"	3,870					3,637	210	145	3,992	103.152
October	"	3,999					3,758	210	150	4,118	102.976
November	"	3,870					3,637	210	145	3,992	103.152
December	"	3,979	\$892	\$791	\$748	\$661	\$666	3,758	210	150	4,118
Total		47,194					\$45,029	\$2,625	\$1,799	\$49,453	104.787

Services of Train Porter Discontinued June 1, 1960.

[fol. 128]

Schedule 4
Sheet 2 of 4SOUTHERN RAILWAY COMPANYCrew Wage ExpensesTrain No. 16 - Greensboro, N. C. to Goldsboro, N. C.

	<u>Train Miles</u>	<u>Engineer</u>	<u>Fireman</u>	<u>Conductor</u>	<u>Flagman</u>	<u>Baggage-master</u>	<u>Total Crew Wages</u>	<u>Payroll Taxes</u>	<u>Vacation Allowance</u> <u>4%</u>	<u>Total Crew Wage Expense</u>	<u>Crew Wage Exp. per Train Mile (Cents)</u>	
January	1960	3,999					\$ 3,540	\$ 231	\$ 141	\$ 3,912	.97.824	
February	"	3,741					3,326	231	133	3,690	.98.637	
March	"	3,999					3,540	231	141	3,912	.97.824	
April	"	3,870					3,433	231	137	3,801	.98.217	
May	"	3,999					3,555	231	142	3,928	.98.225	
June	"	3,870					3,215	210	129	3,554	.91.835	
July	"	3,999					3,389	210	136	3,735	.93.398	
August	"	3,999					3,389	210	136	3,735	.93.398	
September	"	3,870					3,280	210	131	3,621	.93.566	
October	"	3,999					3,389	210	136	3,735	.93.398	
November	"	3,870					3,280	210	131	3,621	.93.566	
December	"	3,979	\$814	\$721	\$668	\$590	\$596	3,389	210	136	3,735	.93.868
Total	47,194						\$40,725	\$2,625	\$1,629	\$44,979	.95.307	

Services of Train Porter Discontinued June 1, 1960

[fol. 129]

Schedule 4
Sheet 3 of 4

SOUTHERN RAILWAY COMPANY

Crew Wage Expenses Per Trip, Per Month and Twelve Months Period
Train 13 Operating Between Goldsboro, N.C. and Greensboro, N.C.

Current Rate Per Mile Dec. 1960	Miles Per Trip	Wages for the Trip	Payroll Taxes (10.50%)	Vacation Allowance (4%)	Train 13		
					Per Trip	Per Month Dec. 1960	Year 1960
Engineer.	20.20¢	130	\$ 28.79*	\$ 3.02	\$1.15	\$ 32.96	\$ 970.19
Fireman	17.90¢	130	25.51*	2.68	1.02	29.21	864.44
Conductor	13.76¢	150	24.12**	2.53	.96	27.61	819.63
Flagman	12.09¢	150	21.31**	2.24	.85	24.40	729.03
Baggagemaster	12.207¢	150	21.50**	2.26	.86	24.62	735.16
Porter.	May 1960	129	7.48	.79	.30	8.57	262.16
Total			\$128.71	\$13.52	\$5.14	\$147.37	\$4,380.61
							\$49,952.43

* Includes 1 Hour Overtime.

** Includes \$.90 Daily Guarantee
and 1 Hour Overtime.

[fol. 130]

SOUTHERN RAILWAY COMPANY

Crew Wage Expenses Per Trip, Per Month, and Twelve Months Period
 Train 16 Operating Between Greensboro, N.C., and Goldsboro, N.C.

	Current Rate Per Mile Dec. 1960	Miles per Trip	Wages for the Trip	Payroll Taxes 10.50%	Vacation Allowance 4%	Train 16		
						Per Trip	Total Wage Expense Per Month Dec. 1960	Year 1960
Engineer	20.20¢	130	\$26.26	\$2.76	\$1.05	\$30.07	\$888.62	\$10,499.61
Fireman	17.90¢	130	23.27	2.44	.93	26.64	792.22	9,361.49
Conductor	13.76¢	150	21.54 *	2.26	.86	24.66	736.45	8,702.99
Flagman	12.094¢	150	19.04 *	2.00	.76	21.80	655.85	7,751.39
Baggagemaster	12.207¢	150	19.21 *	2.02	.77	22.00	661.33	7,816.09
Porter	May 1960	129	7.48	.79	.30	8.57	262.16	1,287.44-Jan. thru May
Total			\$116.80	\$12.27	\$4.67	\$133.74	\$3,996.63	\$45,419.01

* Includes \$.90 Daily Guarantee

[fol. 131]

Schedule 5

SOUTHERN RAILWAY COMPANYLocomotive Fuel ExpenseTrains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N. C.

	<u>Trains 13 or 16</u> <u>No. of Trips</u>	<u>Sou. Ry. Co.</u> <u>Avg. Fuel Cost</u> <u>Per Gallon \$</u>	<u>Train 13 or 16</u>		<u>Total Cost</u> <u>Train 13</u>	<u>Total Cost</u> <u>Train 16</u>
			<u>*Gals. of Oil</u>	<u>Consumed at 177</u> <u>Gals. Per Trip</u>		
January 1960	31	8.80	5,487	5,487	\$483	\$483
February "	29	8.64	5,133	5,133	443	443
March "	31	9.22	5,487	5,487	506	506
April "	30	8.41	5,310	5,310	447	447
May "	31	8.49	5,487	5,487	466	466
June "	30	8.57	5,310	5,310	455	455
July "	31	8.51	5,487	5,487	467	467
August "	31	8.69	5,487	5,487	477	477
September "	30	8.62	5,310	5,310	458	458
October "	31	8.62	5,487	5,487	473	473
November "	30	8.71	5,310	5,310	463	463
December "	31	8.87	5,460	5,460	484	484
 Total	 366		 64,755		 \$5,622	 \$5,622

* Test Study

[fol. 132]

SOUTHERN RAILWAY COMPANYDiesel OperationPassenger Locomotive ExpensesTrains 13 and 16 Operating Between Greensboro, N. C., and Goldsboro, N. C.

Southern Railway Company
 Average Expenses Per Passenger
Diesel Locomotive Unit Miles (d)
 Engine- Lubri- Other
 house cants Supplies Repairs

Month	1960	2.080	2.522	.234	24.773
January		1.793	1.766	.426	26.945
February	"	1.688	1.909	.376	25.800
March	"	1.713	1.840	.451	24.619
April	"	1.718	1.722	.434	22.980
May	"	1.565	2.348	.461	23.426
June	"	1.954	1.623	.384	22.159
July	"	1.614	2.070	.336	22.087
August	"	1.490	1.702	.493	22.040
September	"	1.534	1.973	.402	20.700
October	"	1.474	2.062	.405	19.863
November	"	1.562	1.544	.376	19.205

Total

	Train No. 13						Train No. 16					
	Pass.	Diesel Loco.	Pass. Engine	Diesel Loco.								
	Loco.	house	cants	Loco.	house	Loco.	house	Loco.	house	Loco.	house	
	Unit Miles											
January	3,999	\$ 83	\$101	\$ 9	\$ 991	3,999	\$ 83	\$101	\$ 9	\$ 991		
February	3,741	67	66	16	1,008	3,741	67	66	16	1,008		
March	3,999	68	76	15	1,032	3,999	68	76	15	1,032		
April	3,870	66	71	17	953	3,870	66	71	17	953		
May	3,999	69	69	17	919	3,999	69	69	17	919		
June	3,870	61	91	18	907	3,870	61	91	18	907		
July	3,999	78	65	15	886	3,999	78	65	15	886		
August	3,999	65	83	13	883	3,999	65	83	13	883		
September	3,870	58	66	19	853	3,870	58	66	19	853		
October	3,999	61	79	16	828	3,999	61	79	16	828		
November	3,870	57	80	16	769	3,870	57	80	16	769		
December	3,979	62	61	15	764	3,979	62	61	15	764		
Total	47,194	\$795	\$908	\$186	\$10,793	47,194	\$795	\$908	\$186	\$10,793		

Method of ComputationYear 1960

Entire Line Expenses
 Total Passenger Diesel Locomotive Unit Miles
 Average Expense Per Passenger Diesel Locomotive Unit Mile

Passenger Diesel Locomotives			
<u>Enginehouse</u>	<u>Lubricants</u>	<u>Other Supplies</u>	<u>Repairs</u>
\$ 200,080	\$ 228,642	\$ 47,276	\$ 2,716,178
11,902,533	11,902,533	11,902,533	11,902,533
1.681¢	1.921¢	0.397¢	22.820¢

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[fol. 133]

SOUTHERN RAILWAY COMPANYPassenger Train Supplies and ExpensesTrains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N.C.

Trn. 13 or 16 Miles Operated	Southern Railway Co. Average Expense per Passenger Train Car Mile			Train No. 13				Train No. 16					
	CHLW Icing (Cents)	Lubri (Cents)	Other Expns. (Cents)	Passenger Train Car Expenses			CHLW Icing (Cents)	Lubri (Cents)	Other Expns. (Cents)	Passenger Train Car Expenses			
				Pass.Car Miles	Pass.Car Miles	Pass.Car Miles				CHLW Icing (Cents)	Lubri (Cents)	Other Expns. (Cents)	
January 1960	3,999	2.317	.147	.304	13,935	\$ 323	\$ 20	\$.42		13,784	\$ 319	\$ 20	\$ 42
February "	3,741	2.364	.141	.258	13,500	319	19	35		14,302	338	20	37
March "	3,999	2.429	.117	.330	14,128	343	17	47		14,518	353	17	48
April "	3,870	2.313	.099	.259	13,506	312	13	35		13,468	312	13	35
May "	3,999	2.066	.144	.247	14,107	291	20	35		14,065	291	20	35
June "	3,870	2.171	.143	.307	13,670	297	20	42		13,886	301	20	43
July "	3,999	2.041	.125	.212	13,826	282	17	29		13,826	282	17	29
August "	3,999	1.847	.142	.294	14,258	263	20	42		15,777	291	22	46
September "	3,870	1.966	.144	.251	13,636	268	20	34		13,615	268	20	34
October "	3,999	1.937	.138	.303	13,456	261	19	41		13,826	268	19	42
November "	3,870	2.226	.145	.255	13,615	303	20	35		15,812	352	23	40
December "	3,979	1.956	.115	.350	13,552	265	16	47		13,401	262	15	47
Total	47,194				165,189	\$ 3,527	\$ 221	\$ 464		170,280	\$ 3,637	\$ 226	\$ 478

Method of ComputationYear 1960Passenger Train Cars

Entire Line Expenses
Total Passenger Train Car Miles
Average Expense Per Passenger Train Car Mile

CHLW & Icing	Lubricants	Other Expenses
\$ 1,297,652	\$ 81,154	\$ 171,486
60,882,395	60,882,395	60,882,395
2.1314	0.1334	0.2824

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[fol. 134]

SOUTHERN RAILWAY COMPANYPassenger Train Car Repair ExpensesTrains 13 and 16 Operating Between Greensboro, N.C. and Goldsboro, N.C.

Trn. 13 or 16 Miles Operated	Sou.Rwy.Co.Av. Pass.Train Car Repair Expense Per Car Mile (Cents)	Train No. 13			Train No. 16		
		Passenger Car Miles	Pass. Train Car Repair Expense Total	Per Train Mile (Cents)	Passenger Car Miles	Pass. Train Car Repair Expense Total	Per Train Mile (Cents)
January 1960	3,999	4.834	11,164	\$540	13.503	11,013	\$532
February "	3,741	5.622	11,151	627	16.760	11,710	.658
March "	3,999	5.833	11,596	676	16.904	12,007	700
April "	3,870	7.882	10,816	853	22.041	10,778	850
May "	3,999	6.248	11,185	699	17.479	11,143	696
June "	3,870	5.177	11,185	579	14.961	11,164	578
July "	3,999	4.715	11,315	534	13.353	11,185	527
August "	3,999	3.322	11,185	372	9.302	11,185	372
September "	3,870	4.671	10,686	499	12.894	10,665	498
October "	3,999	5.924	10,396	616	15.404	10,287	609
November "	3,870	4.173	11,164	466	12.041	13,361	558
December "	3,979	3.266	10,082	329	8.268	9,931	324
Total	47,194		131,925	\$6,790	14,387	134,429	\$6,902
							14.625

Method of ComputationYear 1960

Entire Line Passenger Train Car Repair Expense	\$ 2,485,367
Total Passenger Train Car Repair Miles	48,740,936
Average Expense Per Passenger Train Car Mile	5.099

[fol. 135]

Schedule 9

SOUTHERN RAILWAY COMPANYPassenger Train Supplies and ExpensesTrains 13 and 16 Operating Between Greensboro, N.C. and Goldsboro, N.C.

Sou.Rwy.Co.		Train No. 13				Train No. 16			
Train 13 or 16 Miles Operated	Average Pass.Trn.Car Air Cond.Exp. Per Car Mile (Cents)	Air Cond. Passenger Car Miles	Pass.Trn.Car Total	Air Cond.Exp. Per Train Mile (Cents)	Air Cond. Passenger Car Miles	Pass.Trn.Car Total	Air Cond.Exp. Per Train Mile (Cents)		
January 1960	3,999	2.481	8,060	\$200	5.001	8,060	\$200	5.001	
February "	3,741	2.818	7,841	221	5.908	8,312	234	6.255	
March "	3,999	2.446	8,060	197	4.926	8,320	204	5.101	
April "	3,870	2.604	7,670	209	5.168	7,670	200	5.168	
May "	3,999	3.074	8,190	252	6.302	8,190	252	6.302	
June "	3,870	2.239	7,800	175	4.522	7,800	175	4.522	
July "	3,999	2.000	8,060	161	4.026	8,060	161	4.026	
August "	3,999	2.849	7,930	226	5.651	7,930	226	5.651	
September "	3,870	3.388	7,800	264	6.822	7,800	264	6.822	
October "	3,999	3.367	8,060	271	6.777	8,060	271	6.777	
November "	3,870	2.592	7,800	202	5.220	7,800	202	5.220	
December "	3,979	1.944	7,758	151	3.795	7,758	151	3.795	
Total	47,194		95,029	\$2,520	5.340	95,760	\$2,540	5.382	

Method of ComputationYear 1960

Entire Line Air Conditioning Passenger Car Expense	\$ 400,099
Total Air Conditioning Passenger Car Miles	15,211,178
Average Expense Per Passenger Train Car Mile	2.6304

[fol. 136]

Schedule 10

SOUTHERN RAILWAY COMPANYTrains 13 and 16 Operating Between Greensboro, N. C. and Goldsboro, N. C.Goldsboro Union Station

	Total All Cars	Total Sou.Rwy.Co. Cars	Trains 13 & 16 Cars Eliminated	Sou.Rwy.Co. Cars Restated	All Cars Restated	Total Station Cost	Sou.Rwy.Co. Cost Actual	Sou.Rwy.Co. Cost Restated	Savings from Discont. Trains 13 & 16
January 1960	1,156	172	172	-	984	\$ 3,935	\$ 586	-	\$ 586
February "	1,089	167	167	-	922	3,808	584	-	584
March "	1,167	180	180	-	987	3,888	600	-	600
April "	1,141	168	168	-	973	3,746	551	-	551
May "	1,196	172	172	-	1,024	3,417	491	-	491
June "	1,131	170	170	-	961	3,907	587	-	587
July "	1,184	166	166	-	1,018	4,938	692	-	692
August "	1,108	180	180	-	928	3,319	539	-	539
September "	991	176	176	-	815	3,325	591	-	591
October "	1,062	172	172	-	890	3,516	569	-	569
November "	1,044	168	168	-	876	3,494	562	-	562
December "	1,058	166	166	-	892	3,749	588	-	588
Total	13,327	2,057	2,057	-	11,270	\$45,042	\$6,940	-	\$6,940

SOUTHERN RAILWAY SYSTEM

**FEEDER VALUE OF TRAINS 13 AND 16, OPERATING
BETWEEN GREENSBORO, N. C. AND GOLDSBORO, N. C.,
ACCRUING TO THE SOUTHERN RAILWAY SYSTEM**

	Year 1959	Year 1960
System Off Line Revenue	\$73,960	\$83,034
Less 50% Operating Costs	<u>\$36,980</u>	<u>41,517</u>
Net Revenue Accruing to Southern Railway System For Off Line Passengers From Trains 13 and 16	\$36,980	\$41,517

[fel. 138]

EXHIBIT 30 TO PETITION

GENERAL BALANCE SHEET AS OF DECEMBER 31, 1960

ASSETSCURRENT ASSETS:

701 Cash	\$ 15,114,385
702 Temporary cash investments	30,065,240
703 Special deposits	3,104,451
704 Loans and Notes receivable	3,237,500
705 Net balances receivable from agents and conductors	4,390,009
707 Miscellaneous accounts receivable	10,493,363
708 Interest and dividends receivable	440,399
709 Accrued accounts receivable	3,140,725
710 Working fund advances	453,716
711 Prepayments	22,468
712 Material and supplies	7,418,823
713 Other current assets	140,587
Total current assets	<u>\$ 76,021,686</u>

SPECIAL FUNDS:

715 Sinking funds	\$ 2,291
716 Capital and other reserve funds	186,726
717 Insurance and other funds	610,700
Total special funds	<u>\$ 799,717</u>

INVESTMENTS:

721 Investments in affiliated companies	\$113,180,854
722 Other investments	464,105
Total investments	<u>\$113,645,059</u>

PROPERTIES:

731 Road and equipment property	\$771,161,596
732 Improvements on leased property	49,612,502
733 Acquisition adjustment	(50,377)
734 Donations and grants	(14,587,739)
Total transportation property	<u>\$306,094,982</u>
735 Accrued depreciation - Road and Equipment	(136,088,737)
736 Amortization of defense projects - Road and Equipment	(30,675,899)
Total transportation property less recorded depreciation and amortization	<u>\$639,330,346</u>
737 Miscellaneous physical property	4,557,585
738 Accrued depreciation - Miscellaneous physical property	(33,691)
Miscellaneous physical property less recorded depreciation	<u>4,523,894</u>
Total properties less recorded depreciation and amortization	<u>\$643,854,240</u>

OTHER ASSETS AND DEFERRED CHARGES:

741 Other assets	\$ 4,125,945
742 Unamortized discount on long-term debt	704,493
743 Other deferred charges	4,001,669
Total other assets and deferred charges	<u>\$ 8,832,107</u>

TOTAL ASSETS

\$845,152,771LIABILITIES AND SHAREHOLDERS' EQUITYCURRENT LIABILITIES:

751 Loans and Notes payable	\$ 3,237,500
752 Traffic and car-service balances - Cr.	2,053,954
753 Audited accounts and wages payable	7,162,903
754 Miscellaneous accounts payable	4,658,333
755 Interest matured unpaid	2,555,565
756 Dividends matured unpaid	525,552
757 Unmatured interest accrued	1,266,973
758 Accrued accounts payable	8,419,600
760 Federal income taxes accrued	18,016,508
761 Other taxes accrued	4,403,127
763 Other current liabilities	<u>1,427,302</u>
Total current liabilities (exclusive of long-term debt due within one year)	<u>\$ 53,729,341</u>

LONG-TERM DEBT DUE WITHIN ONE YEAR:

764 Equipment obligations and other debt	<u>\$ 13,122,598</u>
--	----------------------

LONG-TERM DEBT:

765 Funded debt unmatured	Total issued \$161,323,200	Held by or for Company \$23,809,200	\$157,514,000
766 Equipment obligations	64,640,658	-0-	64,640,658
769 Amounts payable to affiliated companies			728,962
Total long-term debt			<u>\$222,873,600</u>

RESERVES:

774 Casualty and other reserves	<u>\$ 6,114,700</u>
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OTHER LIABILITIES AND DEFERRED CREDITS:

782 Other liabilities	\$ 3,627,067
784 Other deferred credits	2,574,668
785 Accrued depreciation - Leased property	7,051,780
Total other liabilities and deferred credits	<u>\$ 13,253,515</u>

SHAREHOLDERS' EQUITY:

Capital stock (Par or stated value):	Total issued \$190,362,300	Held by or for Company \$1,916,000	\$188,446,300
Capital stock issued			
Capital surplus:			
Paid-in surplus			\$ 319,412
Other capital surplus			288,927
Total capital surplus			<u>\$ 608,339</u>
Retained income:			
Retained income - Appropriated			\$ 3,410,266
Retained income - Unappropriated			343,504,070
Total retained income			<u>\$347,004,336</u>
Total shareholders' equity			<u>\$350,008,339</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY\$845,152,771

[fol. 139]

EXHIBIT 31 TO PETITION

Southern Railway Company-Year 1959

III. INCOME ACCOUNT FOR THE YEAR

1. Over the Southern Division of the corporation for the year in accordance with statement as reported in the Northern Division of the company for the year 1959.

2. In certain of other regions the corporation has been required to make up its statement of income and expenses by deducting from total operating revenue and expenses the amount of net revenues and expenses of the corporation's subsidiary companies. In such cases, the corporation's statement of income and expenses should be made up in accordance with the statement of the subsidiary companies for the year 1959.

3. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

4. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

5. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

6. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

Southern Railway Company-Year 1959

III. INCOME ACCOUNT FOR THE YEAR—Continued

7. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

8. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

9. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

10. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

11. The statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

12. Any statement of income and expenses of the corporation for the year 1959 should be made up in accordance with statement of the subsidiary companies for the year 1959.

13. All income and expenses should be included in statement.

	Revenue	Expenses	Net Income
I. COMBINED INCOME			
A. RAILWAY OPERATING INCOME			
(101) Railway operating revenue (p. 200)	\$ 263,492,716		\$ 263,492,716
(102) Railway operating expenses (p. 200)	115,000,000		\$ 148,492,716
Net revenue from railway operations	148,492,716		
(103) Railway net revenue (p. 217)	\$ 148,492,716		
Railway operating income	\$ 148,492,716		
B. RATES INCOME			
(200) Rate of freight cars—Credit balance (p. 200)			
(201) Rent from locomotives (p. 200)	\$ 216,000	215,707	\$ 216,000
(202) Rent from passenger-cars (p. 200)	2,015	2,000	2,015
(203) Rent from heating equipment	6,000	6,000	6,000
(204) Rent from work equipment	110,200	110,200	110,200
(205) Joint heating-rate income	20,000	20,000	20,000
Total rate income	\$ 232,215	232,707	\$ 232,215
C. RATES PAYABLE			
(206) Rate of freight cars—Debit balance (p. 200)	\$ 219,165	219,165	\$ 219,165
(207) Rent for locomotives (p. 200)	2,170	2,165	2,170
(208) Rent for passenger-cars (p. 200)	1,302,700	1,302,700	1,302,700
(209) Rent for heating equipment	110,200	110,200	110,200
(210) Rent for work equipment	20,000	20,000	20,000
(211) Joint heating rates	21,165	21,165	21,165
Total rate payable	\$ 219,165	219,707	\$ 219,165
Net rate difference (Line 10, 20)	\$ 20,050	(\$ 16,700)	\$ 20,050
Net railway operating income (Lines 7, 20)	\$ 148,442,666	(\$ 16,700)	\$ 148,442,666
D. OTHER INCOME			
(300) Income from administrative operation (p. 211)			
(301) Income from lease of road and equipment (p. 211)	\$ 65,655	65,557	\$ 65,655
(302) Miscellaneous other income (p. 211)	400,224	400,224	400,224
(311) Income from nonoperating property (p. 211)	(1,119,906)	(1,119,906)	
(312) Property operated property—Profits (p. 211)			
(313) Dividend income			
(314) Interest income	2,000,000	2,000,000	2,000,000
(315) Income from holding and other reserve funds	3,072,072	3,072,072	3,072,072
(317) Balance of provisions on funded debt			
(318) Contributions from other enterprises			
(319) Miscellaneous income	500,000	500,000	500,000
Total other income	6,072,072	6,072,072	6,072,072
Total income (Lines 20, 20)	\$ 154,514,738	(\$ 16,700)	\$ 154,514,738
E. MISCELLANEOUS INCOME FROM INVESTMENTS			
(400) Income of investment operation (p. 211)			
(401) Total of investment operating property (p. 211)			
(402) Miscellaneous rents (p. 211)	300,000	99,173	300,000
(403) Miscellaneous tax revenue (p. 211)	3,000	3,000	3,000
(404) Property operated property—Loss (p. 211)			
(405) Maintenance of investment expenditure			
(406) Income transferred to other enterprises			
(411) Miscellaneous income charges	212,200	212,200	212,200
Total investment operations	\$ 600,000	(\$ 1,000)	\$ 600,000
Income available for fixed charges (Lines 20, 40)	\$ 54,514,738	(\$ 1,000)	\$ 54,514,738

	Revenue	Expenses	Net Income	Amount for general expenses	Amount for general expenses	Operating income and expenses
				\$ 2,551,577	\$ 2,551,577	\$ 560,000
(540) Rent for leased roads and equipment (p. 211)						
(541) Interest on funded debt:						
(a) Fixed interest not in default						
(b) Interest in default						
(547) Interest on unfunded debt						
(548) Amortization of discount on funded debt:						
Total fixed charges						
Balances after fixed charges (Lines 20, 50)						
V. OTHER EXPENSES						
(549) Interest on funded debt:						
(a) Contingent interest						
Net income after fixed charges and other deductions (Lines 20 and 50) (Transferred to Retained Income—Unappropriated)						

	Revenue	Expenses	Net Income	Amount for general expenses	Amount for general expenses	Operating income and expenses
				\$ 2,551,577	\$ 2,551,577	\$ 560,000
(540) Rent for leased roads and equipment (p. 211)						
(541) Interest on funded debt:						
(a) Fixed interest not in default						
(b) Interest in default						
(547) Interest on unfunded debt						
(548) Amortization of discount on funded debt:						
Total fixed charges						
Balances after fixed charges (Lines 20, 50)						
VI. OTHER EXPENSES						
(549) Interest on funded debt:						
(a) Contingent interest						
Net income after fixed charges and other deductions (Lines 20 and 50) (Transferred to Retained Income—Unappropriated)						

[fol. 140]

Southern Railway Company-Year 1960

Line No.	Item (a)	Amount for current year (b)		Amount for preceding year (c)		Offsetting credits and debits for current year (d)		
		Debit	Credit	Debit	Credit			
I. OPERATING INCOME								
A. RAILWAY OPERATING INCOME								
(301) Railway operating revenues (p. 303).	261 059	945	271 861	415				
(311) Railway operating expenses (p. 310).	182 610	925	181 918	960				
Net revenue from railway operations.	78 429	020	87 966	489				
(322) Railway tax accruals (p. 317).	33 224	964	40 772	509				
Railway operating income.	45 208	056	47 193	980				
B. RENT INCOME								
(333) Rent of freight cars—Credit balance (p. 319).								
(344) Rent from locomotives (p. 320).	2 474	741	2 212	026				
(345) Rent from passenger-train cars (p. 320).	2 551	622	2 416	013				
(346) Rent from floating equipment.	2 640		6 045					
(347) Rent from work equipment.	98 375		130 386					
(348) Rent facility rent income.	1 003	198	967 923					
Total rent income.	6 130	576	5 732	393				
C. RENTS PAYABLE								
(359) Rent of freight cars—Debit balance (p. 319).	6 973	014	5 913	181				
(367) Rent for locomotives (p. 320).	3 624	302	2 796	174				
(368) Rent for passenger-train cars (p. 320).	1 292	263	1 305	741				
(369) Rent for floating equipment.								
(370) Rent for work equipment.	77 981		106 787					
(341) Joint facility rents.	3 259	473	3 112	192				
Total rents payable.	15 227	033	13 234	125				
Net rents (lines 15, 23).	(9 096	457	(7 501	732)				
Net railway operating income (lines 7, 21).	36 107	599	39 692	248				
D. OTHER INCOME								
(382) Revenues from miscellaneous operations (p. 331).								
(388) Income from lease of road and equipment (p. 318).	24 039		23 645					
(310) Miscellaneous rent income (p. 318).	659 866		661 254					
(311) Income from nonoperating property (p. 331).	(72 598)		(179 996)					
(312) Separately operated properties—Profit (p. 319).								
(313) Dividend income.	4 123	322	3 007	892				
(314) Interest income.	2 624	737	2 420	880				
(315) Income from sinking and other reserve funds.	20 117		12 072					
(317) Release of premiums on funded debt.								
(318) Contributions from other companies.								
(319) Miscellaneous income.								
Total other income.	7 580	042	6 038	092				
Total income (Lines 25, 26).	43 687	641	45 730	340				
III. MISCELLANEOUS DEDUCTIONS FROM INCOME								
(334) Expenses of miscellaneous operations (p. 331).								
(338) Taxes on miscellaneous operating property (p. 331).								
(343) Miscellaneous rents (p. 322).	330 457		330 059					
(344) Miscellaneous tax accruals (p. 331).	3 770		3 824					
(345) Separately operated property—Loss (p. 319).								
(346) Maintenance of investment organization.								
(348) Income transferred to other companies.								
(349) Miscellaneous income charges.	632 757		512 525					
Total miscellaneous deductions.	966 984		846 408					
Income available for fixed charges (Lines 38, 49).	42 720	657	44 883	932				

Southern Railway Company-Year 1960

B. INCOME ACCOUNT FOR THE YEAR—Continued

1. Give the income amount of the reported by the year in accordance with the rules provided in the Various Schedules of Accounts for Railroad Companies.
 2. In column (d) show against the appropriate amount the amount of income that is either by definition or other means measured as reported or as they relate to compute the operations which are reported by the operating report, the amount of such difference (difference to be shown) shown against the appropriate amounts. For example, road (A) operates road (B) under lease for a period of 20 years, but road (A) owns 20 percent of the stock of road (B) on which it receives dividends as dividends. The entries in column (d) should be Account No. 200, "Dividends Received," 200,000; Account No. 202, "Rent for leased roads and equipment," 200,000. Again, if road (C) has leased its own properties to operate a part or all of the operations of road (D), a separately operated entity, no entries should be made in column (d) by road (C) even though dividends or interest be received on such securities held by road (C). But if road (D) is a "proprietary" company for which no separate operating report is rendered, appropriate entries in column (d) should be made by road (C). If a leased road is leased to another company by operation, the rent paid should be offset by the road lessor. The company lessor should not be taken to include others of a similar nature.
 3. Income for the year reported on lines 1 to 26, inclusive, should be analyzed to column (e) to (f) in accordance with the Comptroller's Rules Governing the Preparation of Railway Operating Reports and related reports.

Line No.	Item (a)	Amount for current year (b)		Amount for preceding year (c)		Offsetting credits and debits for current year (d)		
		Debit	Credit	Debit	Credit			
RAIL-LINE, INCLUDING WATER TRANSPORT								
RAIL-LINE, INCLUDING WATER TRANSPORT								
(347) Rent for leased roads and equipment (p. 321).	1 673 171		1 673 171	801	570			
(348) Interest on funded debt:								
(a) Fixed interest not in default.	9 908 950		9 408 118					
(b) Interest in default.								
(349) Interest on unfunded debt.	201							
(350) Amortization of discount on funded debt.	137 234		97 379					
Total fixed charges.	12 018 115		11 757 188					
Income after fixed charges (Lines 50, 58).	30 702 542		33 126 744					
V. OTHER DEDUCTIONS								
(351) Interest on funded debt:								
(a) Contingent interest.	30 702 542		33 126 744					
Net income after fixed charges and other deductions (Lines 50 and 62).	30 702 542		33 126 744					
(Transferred to Retained Income—Unappropriated).								

[fol. 141]

SUPREME COURT OF NORTH CAROLINA**No. 457****TENTH DISTRICT****Fall Term, 1960****From Wake**

STATE OF NORTH CAROLINA, ex rel. UTILITIES COMMISSION; and STATE OF NORTH CAROLINA, CITY OF DURHAM, a municipal corporation, DUKE UNIVERSITY, ERWIN MILLS, Incorporated, COUNTY OF DURHAM, LIGGETT & MYERS TOBACCO COMPANY, MRS. MARY TRENT SEMANS, THE DURHAM CHAMBER OF COMMERCE, THE AMERICAN TOBACCO COMPANY, RESEARCH TRIANGLE INSTITUTE, THE DURHAM MERCHANTS ASSOCIATION, Intervenors,

—v.—

SOUTHERN RAILWAY COMPANY.

[fol. 142]

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION**Transcript of Hearing****COL. GEORGE F. LEIST testified as follows:****Direct examination.****By Mr. Bryant:**

I am Col. George F. Leist, Commanding Officer at the Office of Ordnance Research, U. S. Army, Duke University, Durham. I have been stationed in Durham three years and two months. I have been commanding officer during the entire period that I have been stationed in Durham.

Our office is responsible for the prosecution of basic research on a national level primarily in university and

non-profit institutions throughout the country and rendering the necessary scientific service to the Army Ordnance installations. In other words, it is our national headquarters for this kind of endeavor. The nature of this work is to receive proposals for researches in physics, chemistry, mathematics, metallurgy and engineering sciences and in proving and evaluating these proposals and in supporting [fol. 143] this work at the level of funding that is given us throughout the country; also in rendering scientific services of such nature as to enhance the scientific capability of the Army Missile Command at Huntsville and the various missile proving grounds that are under the jurisdiction of the Army.

Since the office to which we report is in Washington, the Pentagon, and since we are asked to attend frequent conferences in Washington and points North, such as Philadelphia, it is necessary that we have various modes of travel and also alternative modes of travel. In using the term "we," I refer to myself as an individual, in which capacity I am testifying today, and my associates with whom I have worked in the last three years. There are 65 associates in my immediate office in which I work, and there are approximately 15 associates at Duke University who travel on occasion in our behalf. I am in such position that this information and statistics I give is known to me as an individual; and in that regard, during the fiscal year 1959, my associates and I made 143 one-way trips, or the equivalent of one-way trips, between Durham and the North, using Trains Nos. 13 and 16, at a total fare of \$2,603. This represents exactly one third of the staff travel. The total staff travel to Washington and these points North. The office also generated mostly through the Durham ticket office \$1,740 worth of rail travel on other railway trains; and during this 12-month period the employees of Duke University whom I mentioned formerly who are associated with us, did \$549 worth of travel; that is rail travel. We also travel by air, and sometimes we travel by automobile, but we travel the way that it will get us to the place that we need to go at the proper time. The office generated through its conferences in Durham an additional amount of travel equal to its own staff travel. Now, these would be people

who must come to see us and who confer with us in the responsibilities which I previously mentioned. The total [fol. 144] then would figure to about \$6,000 worth of rail travel on Trains 13 and 16. We use air, rail and private automobiles.

There are many times when we must be in Washington before ten o'clock in the morning; and most of these conferences are generated at about 8:30 and in order to get there on the morning without loss of time or convenience, we have taken the Southern Railway train which leaves Durham at 6:55 P.M., and we are able to disembark at about 7:30 to 8 o'clock in the morning, depending on exact time of arrival. Therefore, having an opportunity to meet our engagements in the early part of the morning, as well as to conduct the full day's business and then return by Southern Railway at about 11:10 at night and return here by 8 o'clock in the morning at Durham where we lose no time to conduct our business during the day there. The only way we could use the plane to get to conference by 8:30 A.M. at the Pentagon in Washington would be to go up the night before and seek a hotel room or engage in additional correspondence. We have found it to be much more convenient and to meet our necessity to travel in the manner which I have previously described.

Getting off the train about 7:30 in the morning depends on which car we are able to get out of Greensboro. There are two ways of doing that. Old Car No. 9 leaves on Clover Plot, or Clover Leave—I guess the names are "Clover's". preceding the other names—leaves ordinarily at such a time that we are able to get to Washington at about 7:30 in the morning. That is by taking the train at 6:55 out of Durham and changing in Greensboro. Now, if we do not change from the Durham car in Greensboro, we get to Washington about 4:35 in the morning.

There was one attempt made by us in the past two weeks to get air transportation to Washington during the course of typhoon Gracie, the hurricane Gracie, and it was very doubtful whether me or my chief scientist or one other [fol. 145] person could get out by air, so the other two left at one o'clock in the afternoon by automobile and got there on time. I at that time came over and waited for the

Seaboard train which came up and was able to get me there in time in the morning. The planes to my knowledge at that time were not able to get us to the place where we were supposed to go in time.

If the rail service were discontinued, then we at the U. S. Army Office of Ordnance Research at Duke would have the one source by air, and in the final analysis we would have to resort to the automobile, if the air travel was not possible at the time our trip was scheduled. This would also affect us in that we would not be able to get people in to us as readily as we have been in the past, as conveniently or when necessary; and that we would then have to depend mostly on air.

There is one aspect of the work that as far as I am personally concerned would suffer and that would be on a very high-priority project, which is an extremely important one for the Country, the Nike-Zeus Anti-Missile Missile Program, and if we were not able to get to these places when the meetings are scheduled, this would have a deleterious effect upon our efforts as well as the combined efforts of those who are expecting us to be there on time. If for any reason I could not meet a plane schedule or if the planes were on strike or grounded on account of weather, there would be no other satisfactory alternate mode of transportation except to resort to one's own personal automobile, and if one has to meet a deadline, in various parts of the country, this would be a great inconvenience as well as not insuring the person getting there on time. I would like to consider that everything I have said today is considered to be for the convenience as well as the necessity of my work.

Cross examination.

By Col. Joyner:

My headquarters are located within the geographic [fol. 146] confines of the Duke University plant and I have a good deal of travel to Washington, between my headquarters at Duke University and the Pentagon and other installations at Washington, and North—Philadelphia, and in the vicinity of New York. One third of that travel has

been on the Southern Railway passenger train. Most of the rest has been by air and by automobile. I would say that the normal individual with whom I am associated would probably travel by air unless it is desirable to be in Washington for a conference about 8:30 in the morning. In the last three months I have traveled both by air, by rail and by—I will resort to private automobile on tomorrow. In the last thirty days I made one trip to Washington in September, myself. I went by rail. And in August, I don't have all my records with me, but I would like to answer this way, if I can. I have to go on an average of about once a month. If one should take us over the last one year or three years, I have either been ordered in or I have felt that I should be to various conferences at least one a month to Washington or Philadelphia or to these points north. If those conferences are in New York, I have gone both by air and by Southern Railway. And when I go by train I have gotten off in Washington about 7:30 in the morning and on the other one at 4:30 or 5 o'clock in the morning. When I go to New York, I am due in there about 9:00 or 9:15. One does get in a little later in the morning; that's true.

When I go by train, the 6:55 train out of Durham would be the preferred method. Normally we have to dash at rather break-neck speed from the dinner table to get to the station at 6:55 from home. I have, assigned to my unit, government transportation, but I don't use it for this purpose. On one occasion recently I rode to Raleigh and took the Seaboard. I would say it is three miles, roughly, from my home to the Southern Railway station in Durham. There is a one-way street that goes right into the back of the station. [fol. 147] The station is located very close to the center of the city, but I don't have to go through it to get from Forest Hills. From my home to the passenger station in Greensboro must be a good 60 miles. I have never driven it but it must be about 58 miles. If this train were taken off and I could not get a convenient air schedule, I wouldn't necessarily have to go by automobile all the way to Washington; I could drive to the Seaboard Station in Raleigh and catch the midnight Seaboard train or even one leaving earlier. Or one could drive to Greensboro and take the same train which I make connections with on this #13 if our

meeting time in Washington the next morning were, say between 8:00 and 19 o'clock, but if we had to get there in the evening this would then be impossible, and one would have to drive or go by air.

It is true that if this train was taken off, that I could drive to Greensboro and catch any of the trains that I can catch in Greensboro by taking this train. I would say this would be possible if one wanted to drive 60 miles. I wouldn't say that a 60-mile automobile drive was a very arduous task; it is not the most arduous task I have ever faced. Nor is a 27-mile automobile drive to Raleigh impossible. I would say taking off these trains would have certain deleterious effects upon the development of the missile program. In saying that I am speaking individually, not as an officer or representative of the Ordnance Department. Everything I am saying today I say it as an individual of which I have personal knowledge.

Col. Joyner:

Q. We have just gone over the deleterious effect it would have which would be at the most a requirement of the automobile drive of 58 miles or 27 miles to make the same or similar connection.

A. This might be true if the meeting were held at 8:00 o'clock in the morning. If it were necessary to go in the evening, this would not be so.

[fol. 148] Q. Explain that a little bit. What do you mean, necessary to go in the evening?

A: Well, what I am saying is that if the meeting were held in the evening in Washington.

Q. In Washington what time in the evening?

A. We will say 9:00 o'clock in the evening.

Q. Suppose you have got a meeting at 9:00 o'clock in the evening. What is the devastating effect on that meeting of taking this train out of there off?

A. If that were true, then the train doesn't get in Greensboro until 9:00 so it would be impossible to make the meeting if one were to drive to Greensboro. That's my statement, and one cannot rule out this possibility.

Q. Well, now, how would you make a 9 o'clock meeting in Washington if you got on #13 and went to Greensboro?

A. We would not. In that case we would have to resort to some other method of travel.

Q. Then taking the train off wouldn't bother that kind of a situation at all?

A. Probably not.

Redirect examination.

By Mr. Bryant:

The particular reason for going by private automobile on my trip tomorrow is that I must go to a point north of Washington and report there by ten o'clock tomorrow night with about 300 pounds of documents to the Aberdeen Proving Ground. Because of that load of 300 pounds of documents I will use private car. Also the time of reporting in preparation for the program for the next day and the additional planning will take place between 10:00 and perhaps 2:00 in the morning; and this deadline must be met. I have a meeting up until one o'clock tomorrow afternoon, and this is about the only way that I can get there.

I told Col. Joyner that taking an automobile to either Greensboro or to Raleigh was not impossible. He did not ask me what I would do with my automobile after I got to the station at either Greensboro or Raleigh. I would have [fol. 149] to make some plans about parking there or getting somebody to drive me.

People who come to Duke to the School of Ordnance Research use the train also in coming to Duke, particularly in the symposia or conferences we have where we have up to 90 to 100 people coming in on scientific symposia and conferences, they use the train. They arrive in Durham in the morning, attend meetings and leave to go back to their homes, wherever they may be, north of Durham on the afternoon train. This is the accepted way of trying to get in unless one makes other provisions, by other alternative methods of travel. If this train were taken off and they arrived at Greensboro at 5:00 o'clock in the morning from the North, they would have to come by automobile, bus or by some other method.

Recross examination.**By Col. Joyner:**

When I take the plane to Washington or New York, or Philadelphia, sometimes I park my own car at the airport; and this occasion I may use a Government car to take me out and it goes on back to the office.

Q. Do I understand, Colonel, that your appearance in uniform does not at all import that you are speaking for the Army, that you have had no communications from the Army to come down here and say anything about this train and that you speak without any authority to speak for them?

A. I am speaking solely as an individual.

Q. And you are not in any way transmitting anything that you have been requested or authorized to say by the Army?

A. That's right.

Q. I wanted to make that entirely clear.

Examination by the Commission:

The car operated by Southern Railway out of Durham is a very nice car. It has roomettes and it is a very convenient car. The Car #9, the Clover series, is not what I would call up to standard. One night, while we were riding, [fol. 150] we were delayed some two or three hours because something became very hot under one of the seats in an old lady's compartment. The rest of us were in uppers and lowers; and the car is not quite a relic from the past but it is certainly not one that one would consider a modern means of conveyance. On the way back, the accommodations are very good. They are in a roomette type car, but then there is no diner, and one must do without one's breakfast if you want to convenience work at 8:00 o'clock in the morning, you do without your breakfast, so in this sense, it may be considered an inconvenience, and it is not first class travel in that sense.

Speaking of my own opinion, I would say definitely that the appearance of the station, the attitude sometimes of the ticket agents of the Southern Railway in comparison to other modes of travel, the lack of convenient dining facil-

ties, the appearance of the stations is rather depressing and would detract people attempting to travel that way. If those conditions are improved so that they would be attractive to the traveling public, I don't think traffic would decline. I think rather with the things that are happening in the Research Triangle Area, which I am sure will be covered later, no doubt by others, that this will increase, if the rail travel were made as attractive as at least one other mode of travel which was discussed here today.

Recross examination.

By Col. Joyner:

Q. I hadn't thought it would be necessary to ask you any more questions, but one portion of your answer makes it necessary, I think, for me to ask you the question because of what I think is the duty I owe to an employee to explore and the duty I owe my client to explore. When you spoke of the attitude of the employee to discourage travel, I can't leave it hanging. Will you give the employee and the date and the attitude, please?

A. At least one instance on a date which I cannot recall [fol. 151] at the moment, we, in attempting to get a better connection at Greensboro, which is a rather depressing looking station, also, in comparison, one effort that we made to . . .

Q. Colonel, you say "we." I want you to make it specific and confine it to your own personal knowledge.

A. That's right. This is on my own.

Q. And try to name the date and the employee and exactly what happened.

A. I would say this was about a year, probably a year and a half ago, this one instance, when I myself tried to get a better connection at Greensboro, after having gotten off of the 6:55 car in Durham, and I asked the ticket agent if . . .

Q. Ticket agent at Durham?

A. At Greensboro, if they could find any space on the Crescent coming North on the car which stays over in Washington and allows one to get off at about 7:30 A.M.

I think that is the correct time, and the attitude of this individual behind the counter was such as to be of a distinct difference between the attitude that one normally finds behind the airline counter; and he took no interest at all in trying to find out whether there was space available out of Atlanta from which I understand it was to be released or in any other way tried to assist me. Now, this impression has stuck in my mind ever since and now I don't even bother to ask any more in Greensboro whether I can get space on this car or not.

Q. I was trying to get space on the Crescent coming north. That gets in about 9:25, I believe, something like that, in Greensboro. I think we get into Greensboro about 8:45. I made the inquiry about getting space in the train that got in there at 9:26. Immediately thereafter. I would say it was 8:50.

Q. You can't be more specific about what the agent said or did except he didn't exercise what you thought was the proper interest in your situation?

[fol. 152] A. No, and if it had been a cursory thing I probably would have forgotten, but the impression is definite.

Q. Did he say that he had no space on that car?

A. He gave some short answer that indicated he was not going to find out whether there was any space available and besides he didn't think I could get it anyway. Now, those may not be the exact words.

Q. As I interpret it, the situation was that he told you, did he not, that he didn't have any space out of Greensboro on that car available?

A. This was not my impression. My impression was that he wasn't going to make any effort to find a space on this car regardless.

Q. The train at that time being probably between High Point and Greensboro, just 20 or 30 minutes away from Greensboro, was it not?

A. I don't know anything about the way that space is handled between Atlanta and Greensboro.

Q. But haven't you traveled on a Pullman enough to know that if the train is between stations and if there is no space

available in Greensboro you have to get it from the train conductor?

A. Well, maybe that is an additional inconvenience that I haven't envisioned before.

Q. How could that agent have possibly determined by any inquiry that space on that train had not been taken, say, at High Point or Salisbury?

A. Maybe he knew this but he didn't tell me this or indicate in any way that he was interested in my problem.

Q. And your comment about the attitude of the agents decreasing the patronage is confined to that instance?

A. There are others but I don't think it would profit the time here to describe them.

Q. If you want to leave it at that, it is all right with me.

[fol. 153] DR. SHERWOOD GITHENS testified as follows:

Direct examination.

By Mr. Bryant:

I live in Durham; outside of Durham, on the old Chapel Hill Road, approximately between Durham and Chapel Hill. I am a physicist, and a staff member of the Office of Ordnance Research, and my office is located at the Office of Ordnance Research in Duke University. Approximately 65 persons are employed at the office of Ordnance Research at Duke University.

Our principal function is to evaluate proposals made by university professors from points all over the United States and in Europe to determine whether or not the work they propose to do is of interest to the Ordnance Corps of the Army; and in those cases where we find the answer to be favorable and the funds available we arrange to contract for the research work. There are other functions, too, but that is the principal one.

In the performance of this operation, a large number of our staff members need to make trips to universities and to Army installations. Whenever we make a trip, we get a record like this after the trip is over of the financing involved and I checked my records for the fiscal year that

ended the 30th of June and found that I had made 28 trips in one direction in that 12-month period, using Trains 13 and 16. So this represents part of the 143 that the Colonel mentioned.

It didn't occur to me to make a count of the number of visitors during the course of the year, who come to the Office of Ordnance Research, but I have talked with various people in recent weeks, and generally it is agreed that the number of trips made to Durham would probably equal the number of trips that we make. That is probably about the same. I am not speaking now only of those who come on the trains, but the total number of visitors during the period of a year.

[fol. 154] Q. And can you state the approximate number who come on the trains, if that is the case?

(Objection.)

Mr. Bryant: I asked him if he would testify of his own knowledge. I don't want the guessing. Take your best knowledge.

A. Take tomorrow. We have approximately 20 or 22 visitors coming to a meeting tomorrow. That is why I have to be there. I know for sure that two of them are coming by train. I am going down to meet them. There may be more. I know that two are coming by train and going back.

In the case of people who come to my office for conferences, they can arrive in the morning and leave in the evening if they come from Washington, Baltimore, Philadelphia or New York by virtue of these two trains. Trains 13 and 16 play a very important part in my personal office or those of my office. As I have already stated, I have averaged better than one round trip a month using these trains in the last year; I have been doing that for seven years. I am a person who prefers to use the train if it is at all possible to do so. There are several reasons for this. One is that I happen to be so constituted that I get a slight headache, sometimes air-sick when I travel by air; and so I avoid traveling by air if I can possibly go by train, for that reason. In addition to that, I endeavor to get in as many hours per day as I can. By using these trains I am

able to work a full day at the office, go home, eat dinner, go down to the railroad station, get on the train and relax completely until arrival in Washington, Baltimore, Philadelphia, or New York. I prefer to do it this way. I am able to get in more working hours to be reasonably sure that I will arrive at the destination in the morning, well rested, without being air-sick, and furthermore, in the last seven years I have encountered enough occasions when traveling by air that I have become delayed and have not been able to get to a meeting that I had to be to at a certain time [fol. 155] that I found that under all these circumstances, it is easier and better—we plan a trip several weeks in advance—to get reservations on the train, and then be reasonably sure that the train would leave at the proper time and that I would make the meeting that I wished to attend. It is the reliability factor which adds to all these others that I have mentioned. I will fly because I do have to go to relatively remote places like Chicago and Los Angeles, etc., and it occurred to me a few minutes ago to state that twice, now, I have arrived in Washington in the early evening by air and found it impossible to get on to Durham, and have asked and have obtained a voucher from the airlines and gone over to Union Station and taken the sleeper which leaves at midnight and that way insured getting home with reasonable night's sleep.

We have a young lady in our office who handles all of our reservations. Only on rare occasions when out of the city do I handle reservations coming back to Durham because usually our trips are planned well in advance. Because of the fact that I have always been able to plan my trips, I personally cannot claim any experience in trying to get reservations back to Durham; however, just last week when I was in New York visiting one of our contractors, I asked them how he was going to come. He was coming down on a trip in the near future, and he said . . .

Col. Joyner: Objection to hearsay.

Mr. Bryant:

Q. I can't ask you what he said. I must ask you to limit it to your own personal knowledge.

A. Well, my own personal knowledge is what he said.

Objection. Sustained.

I have never had any trouble because the Durham ticket office has been very good in getting accommodations if we ask reasonably soon in advance; that is, reservations on southbound train which becomes 16.

[fol. 156] There is no service for food on either of these Trains, 13 or 16. If there were a strike on the airlines or if the planes were grounded on account of weather, and if these two trains were permitted to be removed from the run through Durham, the only other mode of passenger transportation available would be private automobile or by bus or by going to Raleigh or Greensboro, all of which are not as convenient or as satisfactory as the Train System 13 and 16. In the operation in which I am engaged, the continuance of Trains Nos. 13 and 16 is a necessity and a convenience.

Cross examination.

By Col. Joyner:

On the average I get on #13 about once a month. I get on the Pullman there at Durham. Over a period of the last year, I would say concerning the average number of passengers that get on that Pullman car with me at Durham that I have seen as few as one or two others. I have seen as many as seven or eight, I think. The car is never full at Durham. We do pick up some at Burlington quite frequently. And, of course, there are others that join the car at Greensboro occasionally, too. This is essentially the starting point at Durham. Very rarely does anyone come through from Raleigh.

Durham County has more people than 100,000. The city itself is 85,000 roughly.

Further Direct examination.

By Mr. Jones:

Notwithstanding the fact that the train is scheduled at Greensboro at 8:50, it almost invariably arrives there at 8:30, 20 minutes early. I have never known it to be late, and I think that it has never been other than early to my recollection. What happens is that when the train pulls into the station at Greensboro, in recent years what happens is that a yard locomotive immediately comes to the rear end of the train and within two or three minutes after our arrival, hitches on to Car S-34, pulls it back and switches it over to Track #3, the middle, I think it is the middlemost track in the passenger yard. And the yard locomotive then un-[fol. 157] hitches itself and goes away and car sits there on the average, I think, for an hour and twenty minutes before it is moved again. What happens later is that along about 9:30 plus or minus, depending on how late the Crescent comes in from the South, and usually just before it arrives another or perhaps the same yard locomotive, I don't know which one, but a yard locomotive comes up to the other end of the car and pulls it down the track and waits until the Crescent gets in and then it shifts the car forward and puts it on the tail end of the Crescent. I think that the average wait in Greensboro before Car 13 moves again, after it is put on Track 3, is about an hour and twenty minutes.

In the last year, since there has been no mail carried by this train, and I think very little baggage or express, I haven't seen much because there is an express car on the train but it is usually almost empty. I see no reason why the train couldn't run at least an hour later. I have been studying this point because I am interested in this point. I would rather use that hour at home and not have to rush down to the station; in other words, if we could leave at 7:50 instead of 6:55, it would really improve the convenience to the traveling public of the use of that train, in my opinion, at least as far as we in Durham are concerned. I believe this is so, not only because there appears to be no dearth of yard locomotives to make the shift, and this train

is never late and, even if it were late, there is another train that goes up about two hours later, so that you could still get the car to New York in reasonable time, if it should miss the Crescent. Usually it is the Crescent that is late getting into Greensboro. There is another one at 11:50. It is the Peach Queen. That is the train to which Car 9 is attached which is then disconnected in Washington. It arrives at 6:45 in Washington. Car 9.

[fol. 158] Further Cross examination.

By Col. Joyner:

I have never had any official capacity in connection with railroad operations; none whatsoever. Let me put it this way, that in my college years I worked on a passenger steamship line on the Great Lakes, and there got familiar with railway operations, because we used the Railway Guide very frequently. I have never had the responsibility of making out a railroad schedule either for operating a train or switching.

Q. About this hour and twenty minutes I understood you to say that the passenger car, the Pullman car, in your opinion, stayed without moving an average of an hour to an hour and 20 minutes in Greensboro. That would mean that if it got into Greensboro station at 8:30, it would have to be moved from the track on which it arrives to this #3 waiting track that you speak of. That would take several minutes, would it not?

A. Five minutes at the most, because I have noticed that there have been some occasions actually when, unless one got up to that platform, you see usually one gets off and goes into the station, and there have been several occasions when I or someone else was chatting and got to the platform at the end of the car a little too late to get off before the locomotive pulls it away. In other words, this is very prompt. If it takes five minutes it comes to rest on the waiting track at 8:35, on the average. An hour and 20 minutes from that 8:35, that would be five minutes to ten o'clock, or 9:55. Perhaps my estimate that that car averages staying there until 9:55 is too high. The reason why I estimated

more than an hour was because the Crescent is quite frequently late; and, of course, if the Crescent is on time, I would agree with you completely that if sits there only an hour.

I agree with you that for the accommodation of the public, [fol. 159] the Crescent, which is a train running a long distance, has certain connections it must make. Now, if those connections are late, that frequently makes the Crescent late. Then you would not think that a responsible railroad officer would be justified in making a schedule which would rely on the Crescent being late.

By Col. Joyner:

Q. Now, then, about your getting in at 8:30, the Exhibit #1 filed in this case shows that #13 is due to leave Burlington at 8:02. Well, you are aware of the fact, are you not, that the train would not be justified and cannot leave there until the scheduled hour of departure no matter what time it gets in?

A. That's right.

Q. And between Greensboro and Burlington there are three flag stops, Elon College, Gibsonville and McLeansville. Have you ever known the train to stop at either of those points?

A. I don't recall any stops.

Q. But you realize that if there are flag stops, that if a passenger wants to get on at any of those stations, or if a passenger on the train were ticketed for that station, the train must stop and that takes time?

A. Yes.

Q. You realize that there is in Greensboro what is called a Four-Mile station, that is a station four miles out of Greensboro and that this train has a scheduled time for that stop, for that point?

A. This is beyond my knowledge.

Q. Well, will you take it subject to check, that the schedule time on our train for that is 8:30 P.M. at Four-Mile point and from that point the scheduled time is 20 minutes into Greensboro, and the train can't leave that Four-Mile point until 8:30, so would you care to revise your estimate of arriving there on an average of 8:30?

A. I have gone down into the Greensboro station and there is a clock up on the wall above the tunnel that you come [fol. 160] under. I feel quite sure that I have seen that clock reading 8:30 and at 8:30 at times like that. The train flies between Burlington and Greensboro. They really let it all out. It goes much faster. I mean leaving Burlington it flies much faster than before arriving at Burlington.

Q. Let me ask you this with respect to the speed and making a schedule, if this railroad has committed itself to stop at McLeansville, Gibsonville and Elon College for the convenience of passengers; its schedule must make allowances for those three stops, must it not?

A. That is reasonable.

Q. And do you think it would be reasonable for them to eliminate it from the schedule, eliminate those three schedules, unless and until they have received permission to eliminate those stops from its schedule?

Mr. Burns: Objection—calls for conclusion of law.

Col. Joyner: He has stated a good many conclusions about railroad operations. I think this is within his scope.

Chairman Westcott: I understand him to state up to this time that the train, so far as he can recall, leaves Burlington and travels at a fair or rapid rate of speed until it gets to Greensboro, and that you do not recall the train ever stopped on flag stop at those points.

A. I do not recall any stop.

Col. Joyner: May I say this. He has also said that in his opinion, a lot of time can be eliminated from that schedule. He has expressed an opinion on that. My express question is whether in making a schedule, the schedule could be computed except upon counting or stopping at flag stops.

A. I think the schedule should be made as suggested, to allow for reasonable amount of time for intermediate flag stops.

Col. Joyner:

Q. Are you prepared to look at that schedule and say at any point where any time should be eliminated?

[fol. 161] A. The train arrives now in Durham, according to that schedule, it arrives and leaves Durham at 6:55. It usually sits in our station 15 minutes, 12 or 15 minutes, anyway. It leave on time but it gets in real early. It practically loaf all the way to Burlington. After Burlington the speed is considerable. You can notice the difference. I think the roadbed is better, actually, but this is an estimate. The slowness of the travel that it makes to Burlington probably depends somewhat upon the flag stops that are in the schedule there. That would be logical.

Q. It is in evidence in this case, Doctor, that this train which has been called by the first witness in this case, a local train, having a lot of stops, I believe it is a schedule, either regular or flag stop about every five miles, makes an average of about 30 miles an hour, a little less than 30 miles an hour, are you familiar with similar schedules of local trains on any other line of railroad?

A. To the same degree that any other person would be, I would say.

Q. Are you in position to say that 30 miles an hour is average, below average, or above average elapsed time for a local train?

A. That would depend entirely upon the division and the railroad, I would think.

Q. Just one other line. I understood you, and I am not sure that I understood you correctly, to say at the conclusion of your redirect examination, that this car might be put on the train that gets to Washington about 6:30 in the morning!

A. I said that if perchance this train were to arrive really late in Greensboro, from my point of view as a passenger, I would far rather a hundred times spend the hour at home before taking the train than lose the two hours by having it go up on a later train by Greensboro. Fortunately, you have a train in reserve to handle the car in case it misses [fol. 162] the Crescent. If perchance it would miss the Crescent, it would go up on No. 30. The train that gets into Washington about 6:45.

Q. Now, that would serve the convenience of people going to Washington, would it?

A. It would certainly make them late into New York.

Q. What about the people from Burlington going to New York?

A. They would be late anyway because if the Crescent were that late—

Q. I thought that your hypothesis was that you had missed the Crescent, that the Crescent had gone ahead.

A. They couldn't have made the Crescent. Well, if you held the Crescent, let's see now where are we now?

Q. I thought your assumption was that you would have this 13 leave Durham at a later hour and take some chance on missing the Crescent.

A. Right.

Q. And if it missed the Crescent, it would catch the later Train No. 30 that gets into Washington about 6:30 in the morning. Will you accept subject to check that that gets in, from your knowledge of schedules, don't you know that that gets to New York about 11 o'clock in the morning, not earlier than that?

A. That is approximately right, without looking at the schedule.

Q. And therefore if you missed the schedule, if you gambled on a schedule and missed the Crescent, it might be a serious inconvenience to the passengers who were destined to New York.

A. The question here resolves itself into which is the greater inconvenience or convenience to people. And I am merely testifying that based on my experience which is con-[fol. 163] siderable and as perhaps one of your best passengers, that I would rather have the train go a half hour or 40 minutes later because I know that there is practically—we don't have snow in North Carolina but once in a year or so. There are no factors which make this train tend to make this train late. It doesn't have to make any other connections except at the tail end of its run. That is where it is always there on time or early, so I think that perhaps I have overestimated the amount of compensation that could be made in this schedule, but I am sure that some could be made. Of course, if you get into New York at 11 o'clock Standard, that would be 12 o'clock Eastern Daylight. Which isn't good.

Q. Were you in the courtroom when one of the witnesses, I believe it was the first witness, who testified that Southern had foregone the opportunity of very profitable mail haul just in order to preserve that connection with the Crescent and make sure of arrival in New York at a convenient time; were you here?

A. No, sir, I was not.

Further Direct examination.

By Mr. Burns:

The present Crescent gets into New York at 9:10 a.m. Standard time; that is 10:10 Daylight. And on the other schedule it would get there at 12 o'clock, an hour and 50 minutes difference. If you got on the other train, the Peach Queen, it would only make an hour and 50 minutes difference.

Further Direct examination.

By Mr. Brooks:

I do not know whether or not the Southern Railroad has ever petitioned this Commission or the ICC that they not have to stop at these flag stops Gibsonville, McLeansville. They have not to my knowledge ever petitioned to give up those flag stops.

Further Cross examination.

By Col. Joyner:

Q. You are not prepared to say that your testimony with [fol. 164] respect to the precise operations in switching is in accordance with what actually happens; you know the car is moved, but how long it stays out there and when it has to go in on 38 or whatever switching movements are required would be within the knowledge of an operating officer and on that your information is not precise.

A. I haven't taken the watch and timed it. I have just been on the car and saw what happened and then I can give

the approximate times, and this is not my professional business.

Q. And the approximate operations of the car that comes off of 13 and goes on a waiting track and then later it is switched on 38?

A. That's right.

[fol. 165] W. R. BELFIELD testified as follows:

Direct examination.

By Mr. Dixon:

I am General Industrial Agent, Southern Railway System Lines. My office is in Charlotte, N. C. My assignment primarily embraces industrial development along the lines of Southern in the two Carolinas. I have held this position since March 1, 1952. My experience reaches back over 33 years in Southern's Traffic Department, of which its industrial organization is a unit. Since March 1, 1952, I have been exclusively engaged in industrial development work, entailing both supervisory and direct activities in this field. [fol. 166] I have had occasion to study the industrial development history and potential of the area between Greensboro and Goldsboro, N.C., in which Trains 13 and 16 are now operated. It has had a great deal of my attention. I have personally made efforts to interest industry in locating there.

There has been a substantial industrial growth in this area in the past eight years. Especially gratifying is the healthy trend toward diversification. Perhaps the largest of the new industries in the cities along this line of railroad is the Westinghouse meter plant at Raleigh, and it is an outstanding example of diversification. Other substantial plants introducing entirely new products to the area are the International Paper Company (milk cartons), and Kellogg Switchboard (microwave systems) at Raleigh; Griggs Equipment, Inc. (school equipment) and Shallcross Manufacturing Company (precision instruments) at Selma; Drueding Brothers (chamois) at Goldsboro; and Wright

Homes (prefabricated houses) at Durham. Additional examples of growth are large new warehouse operations of Winn-Dixie Stores and A&P, and expansion of Colonial Stores' similar plant, in Raleigh. In the overall area there have been many other new plants and expansions of varying types and sizes.

There has been new industry, or expansion of existing industry, in the Durham area in the past several years. For example, as to new industries: In 1954, the Lee Dyeing Company of North Carolina, fabric dyeing, at Butner, which is in the Durham area. The Mount Hope Finishing Company, which finishes fabrics, located at Butner. The Athol Manufacturing Company, Inc., located in Butner in 1955, making upholstery fabrics. In 1956, Lowe's, Inc., building materials, at Durham. Wright Homes, Inc., prefabricated homes, in Durham. In 1957, Croscill Curtain Company, curtains, of Durham. In early 1958, both Borden Brick and Tile Co. and W. L. Robinson Tobacco Company [fol. 167] expanded their Durham operations.

In my view the potential of the area for continuing industrial development is excellent. In my opinion, this area holds great promise in the field of industrial development. Here let me say that the new Research Triangle will give tremendous impetus to this growth and create ever-increasing industrial interest in this section.

The Southern has taken other action which will enhance the industrial potential of this area. Further and substantial impetus to industrial growth along this segment of our railroad will result from Southern's acquisition of the Atlantic & East Carolina Railway between Goldsboro and Morehead City, providing single east-west trunk line rail service to and from this important North Carolina port. We anticipate continuing attraction of new industries requiring port accessibility to communities all along the Greensboro-Goldsboro line.

In regard to what factors are presented in attempting to attract an industry, as a general practice, an industrial prospect will furnish us with certain specifications as to plant site and operation, and we undertake to match these with the resources in our territory. The basic requirements are adequate acreage and water supply where there is used a large amount of the latter in processing. We are usually

given a geographical area, at times quite broad; and the site finally selected may be in close proximity to raw materials, or near the industry's principal markets, or at some intermediate point. There are, of course, many other factors—labor supply, industrial relations history, transportation, power, community facilities, living conditions, etc. All of these are given careful study before a final decision as to new plant location. I may here add that the history of community attitudes toward the economic management of business as reflected by newspapers, local governments, [fol. 168] civic groups and the like are closely examined. An industry will look with jaundiced eye upon records of community pressure through these media for procedures adversely affecting profitable operation.

In the course of my work I discuss plant location with many industries, directly, and with their engineers or other representatives. We have calculated that new plants and expansions along our System lines will average about one per day; and since the Carolinas are a fertile industrial development field, my personal contacts of this nature are numerous. I have at first-hand observed a wide cross-section of plant location requirements and absorbed the views of industrial representatives working in this field.

As to what aspects of transportation are of most interest to prospective industries, freight rates and service lead by a substantial margin. Passenger service seldom enters the picture. Any interest in the latter involves commercial air service between the industry's headquarters and the airport nearest the plant site. Also growing is interest in smaller airports suitable for use by private planes, which many industries now own. However, an industry's primary concern with passenger transportation, we have found, is adequate highway access to the plant site; and, if the location is near one of the larger communities, the availability of suburban bus service.

None of the industries that have located in the area now under consideration have, to my knowledge, shown a need for rail passenger service. I personally know of no industry that has been lost to this area because of a lack of rail passenger service, or the possibility that the operation of these two passenger trains would be discontinued. In meeting with

representatives of companies seeking sites, and in showing them possible locations, I have not had any use for trains [fol. 169] 13 and 16. We have not used them in showing the territory, or to meet with industrial representatives. Nor do I know of any industrial representatives who have used these trains in getting to and from this territory. Air transportation to the nearest airport, thence passenger automobile, is the order of the day.

New industries have located on this line despite the fact that Southern has discontinued two pairs of passenger trains on the Greensboro-Goldsboro line—Nos. 21 and 22 in September 1954 and Nos. 111 and 112 in April 1958. For example:

<i>Year</i>	<i>Name</i>	<i>Produce</i>	<i>City</i>
1955	Pressley-Morrow Mfg. Company	Children's wear	Burlington
1955	Burlington Plas Tech Corp.	Plastics	Burlington
1956	International Paper Corp.	Containers	Raleigh
1956	Winn-Dixie Stores	Foods	Raleigh
1956	Wright Homes, Inc.	Prefabricated homes	Durham
1957	Croscill Curtain Co.	Curtains	Durham
1958	Kellogg Switch- board & Sup. Co.	Microwave Systems	Raleigh
1958	Griggs Equip- ment, Inc.	School Furniture	Selma
1958	Shalleross Mfg. Co.	Precision Instruments	Selma
1959	Patelos Door Corp.	Doors	Goldsboro

I can cite instances where substantial new industries have [fol. 170] located or will locate in my territory in the ab-

sence of any passenger service at all. The Atlantic and East Carolina Railway, part of Southern Railway System, operates no passenger trains. The Union Bag-Camp Paper Corporation, in 1956, acquired some 5,000 acres of land for use as a site for a multi-million-dollar paper mill, at Tuscarora, near New Bern, N.C. At Earl, N.C., on the Southern near Shelby, N.C., Fibre Industries, Inc., has under construction a \$50 million synthetic fibre plant. This firm is controlled by Imperial Chemical Industries and Celanese Corporation of America. No passenger service is operated on this line.

At West Shelby, N.C., on Southern and Seaboard, in 1958, Pittsburgh Plate Glass Company—Fiberglass Division—constructed a \$30 million plant. The dedication for this plant is October 21, 1959. They have just announced in the past two weeks a 50 per cent expansion of this operation. There is no passenger service on either railroad, on the line serving their plant.

No representatives of any of the new industries which have been locating in this area in recent years have expressed to me any dissatisfaction with the present passenger service, or any concern over the efforts to discontinue this service.

The expenditure of money by the Southern Railway in promoting the industrial development of the area it serves, including that between Greensboro and Goldsboro, is certainly substantial. I would estimate the total expenditure in that field is over \$1 million per year. That money can only come from the railroad's freight and passenger revenue; and every dollar lost through unprofitable passenger service leaves that much less available for necessary and worthwhile purposes such as industrial development work. [fol. 171] As the man primarily responsible for the direction of industrial promotion work on the Southern Railway in this area, it is my judgment, based on experience, that the discontinuance of these trains have no adverse effect whatsoever on its development. I believe that the operation of these trains has had no influence on the location of the many good industries which have come into the area in the last eight years; and I know of no industry which has been lost because of any inadequacy of passenger service or the

possibility that it would be discontinued entirely on this line. I have found that industries like to locate on strong railroads and in vigorous communities. The maintenance of unprofitable passenger service does not make for a strong railroad; and if industrialists find that a community insists on the continued operation of services which are not needed, they, in my opinion, become somewhat suspicious of the progressiveness of such a community.

Mr. Burns: Objection. He is telling us what the industrialists think. He can say what he thinks but he can't state what somebody else thinks.

Chairman Westcott: Do you want to restate your answer as to what your opinion is? Can you actually say these people are suspicious of a town that insists on a railroad continuing passenger service?

A. No, I say they are suspicious of the town that will make demands upon any of its industries, including the railroad, to use unsound business practices or operate services which they do not need and on which they lose money.

Mr. Burns: Move to strike the entire testimony.

Chairman Westcott: Motion overruled.

Q. That is your opinion?

A. Yes, sir.

It is my firm opinion that the discontinuance of Trains 13 and 16 would have no adverse effect upon the Research [fol. 172] Triangle. The travel habits of those directly engaged in Triangle enterprises, and other industries attracted thereby, would, in my opinion, follow the pattern I have previously outlined for industry in general; that is, air and highway would be the principal modes. I would infer the Triangle people themselves place no great emphasis upon rail passenger service. Section 1 of the Triangle's latest brochure, entitled "Location and Access," consists of three pages. The first is a map of the Eastern United States on which is a diagrammed air service to and from the Raleigh-Durham Airport; the second is a similar map on which is outlined the Interstate Highway System; and the third is a North Carolina State map with principal

highways delineated. No reference is made on these three access maps to the railroads.

Cross examination.

By Mr. Burns:

I have no figures as to the number of industries that have located in the State of North Carolina in places where they do have rail passenger transportation in the last five years, but there are a considerable number. I don't know that there are a whole lot more of them that have located where there is no rail transportation. I would have to make a compilation. I don't have the figures at hand.

I am in charge of or responsible for the handling of industrial development along the Southern lines in North and South Carolina. I try to sell to potential users such phases of Southern's transportation in which they exhibit an interest. I tell them about everything I think would be of interest to them. I find that passenger service is not a factor with most people. If they ask me, which is seldom, I tell them about passenger service. I do not necessarily tell them about passenger service unless they ask me.

We have other witnesses who will testify about advertising of passenger service. I do know that the company [fol. 173] advertises. It is my company's policy to encourage the use of these trains wherever it is possible, I would say, but we have another witness who is going to talk about that. I don't make the company's policy. I know they use folders and advertise. I know in general what their policy is. The policy is to make every dollar they can, and if it is through passenger service they will try to do that.

At the time the industries to which I have referred located on the line of Trains 13 and 16 there was passenger service available.

I do not intend to take credit for all of the industrial development in this State. No one man can take credit. I will stop there. No one man can take credit. I flatter myself that I played a big part in it.

It is not necessarily a fact that I find that the men who come to investigate industrial sites, etc., are generally men

with great pressures on them and that they are in a hurry to accomplish their business and return. I have worked with some of them that took three years on the job. I spent 14 weeks with one of them in this State on this line. No, not on this line, in this State. On the A&EC Railway. That is on the Southern Railway System line. It is not on the Southern Railway Company. Southern Railway Company is the one that is involved in this one.

Cross examination.

By Mr. Bryant:

My job with Southern is to attempt to locate an industrial plant or an expansion of plant on the line of Southern Railway in North and South Carolina. That is my particular duty. We feel that the plants already located on the Southern Railway Company lines should be properly served.

I say that the people with whom I have dealt rarely, if ever, mention passenger service to me. I talk to these new industries. I very rarely talk to people in the industries already established. I am trying to get new ones. I tell [fol. 174] all these established industries if they want assistance from me, call me, but normally unless it is a question of expansion, I have no contact with the existing industries until they think of expanding or branching out; the existing industries are not my contact.

I know that Liggett & Myers Tobacco Company, American Tobacco Company, Wright Machinery, and the Erwin Mills, have protested the removal of these trains. They have already established their business on the railroad line. None of the people with either of those four companies have ever approached me about the rail passenger service. I have not talked to them on this subject.

I gave an estimate that new plants and expansions along our system lines would average about one per day, that is a working day, five days a week.

Q. Five days a week. Now, do you include this territory from Greensboro to Goldsboro in that estimate?

A. Yes, sir. It is an average of the whole System, 13 States and the District of Columbia.

Q. And you think this reflects the average Goldsboro-Greensboro line?

A. I don't think that; it may. I haven't figured it up as a separate segment.

Q. Well, are you denying that it isn't an average segment of the System?

A. I think it is better than a lot, better than a lot of our System in its industrial growth. The State of North Carolina is one of the outstanding industrial development States on our railroad. The two Carolinas and possibly the Atlanta, Georgia, area; Birmingham are leading the whole rest of the railroad in industrial development.

Q. So that, as I understand you, then, in your estimates for future expansion, you would say that this area would be above the average; is that correct?

A. I think that the whole State of North Carolina will continue to be, if not above it, it will be well up in the list, yes.

[fol. 175] Q. Mr. Belfield, let's talk about the area now from Greensboro to Goldsboro. Would you say that that is above average?

A. I think it has very high potential, above average, yes.

Q. So then, on this part of your System from Greensboro to Goldsboro, you would expect at least one plant, an average of a plant per working day, an expansion?

A. I don't know whether you can put that average on one segment or not. We take the number of days, the number of industries per working day and divide into it to get one.

I see no indication of interest in passenger service that would lead me to believe that any industrial expansion would depend on the continuance of that operation or require it. I think that the airport is going to grow.

If there is a strike on an airline then there is no service. That also applies to railroads. When there is a strike on an airline it does not carry passengers, or there is no passenger service. There is no passenger service by the railroad if you discontinue the rail service, but there would be by highway, or private plane, or bus. If there is a weather condition which makes it necessary for the cancellation of a plane flight, then if there is no passenger ser-

vice, that leaves you with either a bus or a private passenger car or private plane that might be able to fly in weather when commercial airliners couldn't.

Q. Mr. Belfield, your contacts and relationships are with those interested in the industrial development, and you have attempted to appraise the need for passenger service based upon those industrial developments, have you not?

A. My continued contacts in that field.

I have not attempted to take into consideration the needs of the public therein other than those shown by the industrial development. Everything else is out of my field. Hospitals [fol. 176], educational institutions and things of that kind are not in the scope of what I am interested in.

A number of industries in North Carolina located on the Southern Railway System have been located on that System during the times when we had passenger service for them.

I did not say that the Southern had been directly interested in the development of the Research Triangle. I said we were very much interested in the development and the beneficial effect it will have. We assisted in getting maps together and that sort of thing and also I have conferred personally with them on several occasions, Mr. Shay and Mr. Stewart.

In answer to the question, "Is the expenditure of money by the Southern Railway in promoting the industrial development of the area it serves, including that between Greensboro and Goldsboro, substantial?" I answered, "It certainly is. I would estimate the total expenditure in that field is over \$1 million per year." I couldn't say whether the Southern Railway Company refused to spend any money toward the promotion of the Research Triangle.

I referred to the first three maps in this brochure that showed the airlines. The first section of this brochure says location, and Section 1, Map No. 1, shows the airline service to and from Raleigh. The second map shows the interstate highway system of the Eastern United States. The third map shows the State of North Carolina with the principal highways delineated, and the railroads are not on any of those three maps. I have examined the balance of the pamphlet. The map shown on No. 2 is in the section en-

titled Triangle Area which shows the existing development. It shows all of the railroads in the general area. It shows the Southern. It shows the Southern is going directly by in contact with the Research Triangle Park. When it shows the railroads there, the Southern was not left out. It is in [fol. 177] there with the geographical fixture, but it is not in the access department.

I have examined the publications of the Research Triangle. In their earlier brochure they made some brief reference to passenger transportation. This is the latest one.

Q. Have you seen the one which I now show you?

A. Yes, I have seen that.

That contains a reference to the fast and comfortable Southern and Seaboard Air Line Railroad trains traveling overnight from Raleigh and Durham north and southward to New York, Washington, Atlanta and Miami. Since at the time it was printed Trains 13 and 16 are the only ones left at Durham, when they said that the fast and comfortable Southern Trains travel northward and southward, it must have had reference to these Trains 13 and 16. It has reference to that now because we haven't added any since that time. They are the two which we now propose to eliminate.

[fol. 178] J. M. White testified as follows:

Direct examination.

By Col. Joyner:

I live in Raleigh, N.C. I am Executive Director of the North Carolina Railroad Association. That Association embraces all of the major lines and most of the short lines in North Carolina. I have been connected with that Association since its organization in 1949.

I entered the Legal Department of the Norfolk Southern Railroad on July 16, 1916, and remained in that continuously until 1949, in various capacities. In my service with the Norfolk Southern I had occasion to travel extensively throughout Eastern North Carolina.

Taking into consideration Weldon, N.C., where the ACL enters from the North, and going down to Rocky Mount, Wilson, Goldsboro, Wilmington—east of that line there is passenger service on the Seaboard Air Line Railroad from Norlina, N.C., to Portsmouth, Va. Part of that railroad lies east of Weldon. There would be approximately 40 to 50 miles of railroad from Norlina to the North Carolina line. That line would serve six or seven stations. With that exception there is no passenger service east of the ACL line from Weldon to Wilmington. The last major passenger train removed east of the ACL main line that [vol. 179] I have described was the train from Rocky Mount to Portsmouth, Va., that ran through Tarboro and Hobgood, Gates and up into Portsmouth. That train was removed about five years ago. I was familiar with the general situation throughout that territory with respect to railroad passenger service in the late '20's, 1925, before the development of our highway system. It was very extensively served by passenger trains on all of the railroads that cover the territory. In a general way I have been familiar with the general conditions, economic and industrial, through that section in the last ten years. I know of no instance that the lack of passenger service has had any effect on the location of industry or the operation of industry in that territory. The large DuPont plant located north of Kinston in 1951. It may have been 1952. That is quite a large plant. At that time, there was no passenger service whatever. No railroad passenger service at Kinston. The nearest railroad passenger service was Goldsboro, and that is 26 or 28 miles from Kinston.

Cross examination.

By Mr. Bryant:

As to whether the area between Norlina and the North Carolina state line is predominantly agricultural, I wouldn't call Roanoke Rapids and Weldon agricultural sections. I wouldn't agree that the remainder of the section is primarily agricultural because the volume of industry at those two points is greater in comparison with the little area

between Roanoke Rapids and Norlina. I would say that Chapel Hill, Durham and Burlington are industrial type cities.

You have got Duke University in Durham and you have got Duke Hospital in Durham, and you have got the State Hospital in Chapel Hill. You have also got the Veterans Hospital in Durham. The State Hospital at Butner is not in Durham and wouldn't be served by the passenger train at Durham. Passenger service there is usually at Henderson. Some of the Butner patients do use Durham hospitals. [fol. 180] I would say that the section is one in which hospital and educational facilities are pretty well concentrated. In the Durham area there is a rather high concentration of industrial establishments. You have the tobacco factories there. The same is true of Greensboro. It is true of Charlotte and a dozen other places. Durham is no isolation point as to its quality of hospitals and its quality of industrial plants.

[fol. 181] MRS. MARY BIDDLE TRENT SEMANS testified:

Direct examination.

By Mr. Brooks:

I live at 1415 Bivins Street, Durham, N. C. I personally have lived in Durham 23 years. My family has been there since right after the Civil War. My grandfather was Mr. Benjamin N. Duke; my great-grandfather was Mr. Washington Duke. My family has been connected with the railroad. My grandfather was a Director of the Cape Fear & Northern. He was a Director of the Piedmont & Northern. He was a Director and President of the Durham & Southern for many years, and he owned a large part of the Durham & Southern which passed on to my mother, and she owned a large part of this until she sold it just a few years ago.

I held office for four years as a city alderman or council [fol. 182] man of the City of Durham. For two years of that time I was a mayor pro tem and at the present time I am a member of the City-County Charter Commission, but

I am not in the employ of the City of Durham in any capacity. I am not a pressure group except as myself.

In my immediate family there is my husband and myself and six children. As far as passengers on the railway, my husband, myself and four children over 14.

I am a Trustee of the Duke Endowment.

So far as traveling over the railroad in question is concerned, I would like to say, first of all, that I am a frequent user of the railroad. First of all, I have to make a trip every other month as a requirement of my trusteeship on the Duke Endowment. Then I have three children away at school, at the present moment in Baltimore and Philadelphia. They use that train, Train #13 going and 16 coming, to reach these points and back, and my husband and my daughter in Durham and I use this for visits to them and then, of course, they use it. My husband also uses the train for medical meetings frequently, and I would estimate that we would make about an average of about three of us making a round trip piece a month. It averages out that way, with several members making more trips, but the average would be about that number.

I have kept a record of the amount of funds spent by me and my immediate family to and from Durham, when we either leave on Train 13 or 16 and arrive back on the other one. I have an accurate record. I have all of the evidence and so on here. I can tell you to the amount of cents the money that we have spent with the Southern Railway from June, 1958, to June, 1959. I have all the evidence here, and it amounts to \$3,657.88.

I prefer for my daughters to ride that train going to and from school, to begin with, because we all like that [fol. 183] train. I would like to say that riding the railroad has not yet been discovered to be an unAmerican activity. We really use and believe in railroad travel. I have been brought up that way and this is part of my life. None of us use the airlines to any extent. I use it not at all. To begin with, there are many people who know and instinctively that they have not proven that airline travel is completely safe. I understand the Government doesn't even require that its people go on airlines if they do not want to do so. We have not a very large family outside of

my own, and I feel that the safety factor is a great factor with us. Therefore we do not use airlines; and for long trips we do not like to use automobiles. Then, again, it is very convenient for us to get on and go to the points which I pointed out, Baltimore, Philadelphia, New York, in addition to which Pullman travel of this kind, getting on at home and traveling North is very good for young girls of the ages of our family. They travel alone. They are well taken care of. They get off at the point designated and it is a very safe method of travel for those girls. We like the train.

There is no diner when you leave on the Durham train in the evening. It has been brought out in the testimony here that there is no diner from Durham to Greensboro. The hour of the departure of the train makes eating a problem. It is true that one can get the Crescent going north and enter the diner at 9:30 if that is possible. The Durham train is the last part of this Crescent as it is hitched on. The diner is there but you have to walk several cars down. So it could be considerably after 9:30 when you enter that diner, and as the diner closes at 10:30, the argument which several people have used in the past, that the diner is there, is a pretty inconvenient sort of argument, and it is not conducive to a correct eating time, and in fact 9:30 is pretty late anyway. We don't live in Europe. This is a very poor argument.

[fol. 184] When you leave on the train in the evening from Durham, you can make proper connections going North. You can make connections going North. What Dr. Githens said is true. There is quite a wait in Greensboro. It is perfectly true that the train comes in at a designated hour of 9:30, but it doesn't leave until 9:50. Passenger travel going south is very important because it used to be that we could leave on Train 13 and plan to go south on the Atlanta train. This has not been brought out here adequately, and the connections south have been changed, so that if you are a Durham passenger going from Durham to points south, you have missed it by almost an hour when you get there. In other words, the train going south leaves Greensboro at 8:00 o'clock. This was not true before. You used to be able to get it after 9:00 and make Southern

connections, but now you either get it at 8:00 o'clock, which you have to do some other way. You can't get it by 13, or you have to wait until 12:20 A.M., and if you are a coach passenger, I happen to know the only connection south is on the 8:00 P.M. train, and I would like also to bring out the fact that I failed to mention in the dining facilities, that you can get breakfast on this train if you are going to Philadelphia and New York, but if you wish to get any breakfast between Washington and Baltimore, they refuse to serve you. Even though the diner is there and the crew is there, you cannot get served. You can't get service until after the train leaves Baltimore.

In making my reservations, I make a personal telephone call to the Union Station ticket office. The office is open from 10:30 A.M. until 1:30 P.M. and from 2:30 P.M. until 7:00 P.M., with one person in the office. If you do not call between these hours to make reservations on the Pullman, there is no one at the station at any other time to make reservations at the Union Station. There is no telephone number listed in the book saying where you can call between [fol. 185] times, and there is no indication as to what you can do after hours and on week-ends, etc., so that it is a complete mystery and there is no way of telling what you could do. There is nothing listed in the telephone book giving the number in Greensboro that you could call to make reservations or giving the number in New York or Washington, and it is a fact that the Seaboard Air Line Railway that has no passenger service coming to Durham whatsoever does list the number in Raleigh that you can call.

The morning train arrives in Durham just shortly before 8:00 A.M. There is no one in the station at that time. The baggageman is on the platform but there is no way that you can find out what time that train is coming in. Therefore many people who come into Durham are met by people who have to go down to the station several times if that train happens to be late, and these people had no way to ascertain whether or not the train was on time or whether the train was late.

I certainly do not feel that there is adequate service at this station and I feel so strongly about it that I attempted

to find out if there were other facilities that one could have, any other line afforded, simply because I know that the passengers are there. It happens that the same Seaboard Air Line Railway that does not furnish Durham with any passenger service in or out employs one city passenger agent, one ticket agent, two ticket sellers and one relief seller of tickets in their office in Durham, and they also run a truck between Durham and Raleigh to take care of the baggage, so I submit the passengers are there if the facilities were there. In other words, the Seaboard has an entire personnel over there to obtain business to ride on the Seaboard in Raleigh. And the Seaboard advertises the train and where they can obtain tickets, and I have received brochures in the mail and postcards promoting the line, [fol. 186] in the mail, just as recently as a few weeks ago I received this in the mail. They do actively solicit passenger service. Insofar as I know, the passenger service that the Seaboard obtains from Durham to ride trains leaving Raleigh or coming to Raleigh, justifies the employment of a city passenger agent, a ticket agent and two ticket sellers and a relief seller in their office there. I might say it is very discouraging because I really believe in Trains 13 and 16 and I feel that the passengers are there to use it if they knew more about it.

I have seen nothing whatever in the last seven or eight years regarding any advertisement in the Durham newspaper indicating what time the Southern train would leave or arrive in Durham, or any indication in the papers that they are advertising for clientele to ride those trains, no promotional work at all. All of my information came from inquiry and experience in riding the trains, and because I believe in the railroads and I also believe firmly and absolutely, I am convinced that Durham is a wonderful home town and I am a devotee of my own home town, and I believe that the health of America could be improved by more people devoted to their communities, and I really feel that it would be a devastatingly poor psychological move for this to be removed from Durham, from my own personal viewpoint and also from the city's viewpoint, and I believe so completely in my community that I would do almost anything to keep it there.

Q. Since you have filed your motion to intervene, have you been contacted by many women in Durham with reference to their children and their young girls having means of transportation?

Objection. Overruled. Exception.

A. I have.

I was asked to express to this Commission their views about having this train to stay on in order to transport the [fol. 187] young girls and women going to and from Durham, because there are those people who send their children to boarding schools and other colleges away.

I know that many patients use this train both ways and I travel with them a good many times. Patients use this train to get to and from Duke University Hospital. Unless they use this train and arrive in Durham on this train, they would either have to come some 25 miles from Raleigh or some 55 miles from Greensboro in order to get to Duke University Hospital. For many of them it is impossible to ride the bus and they have no one to meet them.

I appreciate this opportunity and it really means something to me. Any time I am able to serve the City of Durham, I am anxious to do it, and, as I said before, I want to reiterate that I have no motive other than to try to help the community, and I wouldn't want you to think that anyone had asked me to do it.

From my experience in the use of this train, I absolutely feel that the train is necessary and there is a need for it for the citizens of the community, and I shall continue to use the train and feel that many others would. I feel quite keenly that there has been no effort made to solicit passengers, that it almost seems as if the railway discourages passengers, and I have gone into this at quite some length and have filed a good deal of it with the Commission here. I feel that there has been no creative imagination used in dealing with this. I do not think that they have reached the source. I have seen other railway lines clear up several of these matters without resorting to taking passenger service off. I think this is complete capitulation, which is not according to the American capitalistic methods of doing business; and I feel that it absolutely shows a lack of crea-

tivity in the running and operation of the railroad. I think that other methods could be used to solve their problems which I am sympathetic with and would work night and [fol. 188] day to help them solve, but I do not think this is the way to do it.

Cross examination:

By Col. Joyner:

With reference to the Seaboard service in Durham, it is true that the Southern Railway main line goes down to Atlanta and then on to New Orleans. It does not have a satisfactory connection with Florida. The Seaboard does have some very fine trains out of Raleigh that terminate at Miami and St. Petersburg. The Seaboard makes connection at Miami with ships or airplanes for South America and the Bahamas. They get a good deal of Florida-South America and southern business out of Durham. The Seaboard is closer than the Coast Line.

I think there would be more passengers like me if the Southern gave them the opportunity of knowing about and advertising it.

DR. ROBERT S. RANKIN testified as follows:

Direct examination:

By Mr. Bryson:

My residence is 1227 Vickers Avenue, Durham, N.C. I have lived in Durham since 1927. At present, I am Chairman of the Department of Political Science of Duke University. I have held that position since about 1940. I am connected with Duke University prior to that time. I started as Assistant and then as associate, and then professor, the usual ladder.

I am a member of the City Council of Durham. I have served in that capacity for five years.

During recent years I have observed growth in the City of Durham and the area adjoining the City and the Duke

University community. The growth has been in population and area and industry, and in the community as well, and in students and faculty members. The activities at the University, such as meetings, institutes and such matters as that are many and varied. In addition, we attend meetings. We go places and do things.

[fol. 189] I personally make use of the passenger service in and out of the City of Durham. As to how often I have made use of it in recent months, I will go back to January, 1959, of this year. Once every two weeks I have had to go to Washington to do work as a consultant; and I have down here the trips that I have made to Washington where I made use of the Southern Railway. On January 6, January 25, February 9, February 23, March 9, May 19, June 9, June 14, June 29, and July 27. When I say I made use of the Southern, I mean the Southern Railway passenger train operating out of the City of Durham. I use this train because it is the most convenient to me. That is because my work started at 8:30 in the morning in Washington. I can get on the Southern train and I can get into Washington and stay on the sleeper until 7:00 o'clock, eat breakfast and I can get to work by 8:30. Should I go by air, the plane leaves approximately at 8:00 o'clock. It gets into Washington supposedly at 9:10, but sometimes it is very difficult to land and then to unload, so it is generally at least 9:30. Then I must catch the limousine or taxi over to the office. In addition to that, it has been operating on Daylight Saving Time, so I lose an hour, and it puts me in my office at 11:30 instead of 8:30 in the morning. Therefore it is certainly convenient to me to use this train.

As to other means of transportation to get to these early morning meetings, I could drive to Raleigh and catch a Seaboard, but then the train goes through Washington at 4 o'clock. There is no Washington Pullman on the Seaboard train. It is impossible. I would have to drive my car and get up in the evening and spend the night. That would be the only other way.

I would say that the Southern Railway Company has made no serious effort to advertise its travel facilities on these trains in the University community. Usually when I

get in contact with the agent she gives very good service, but her hours are such I can never remember when she is [fol. 190] there and when she is not. I remember on Washington's birthday I tried to call several times. I could never reach the station. When I went down there the window was closed, and I got on the train and finally bought my ticket in Greensboro to Washington.

I know that my colleagues at the University make use of these trains, but to what extent I couldn't say. I have an opinion as to whether or not the people in the Durham area would have adequate transportation facilities out of the City of Durham to Washington, Philadelphia, New York and other points north and south. My opinion is we really need the train. If anybody is in similar circumstances to myself, the train is needed and needed badly.

Q. If the Commission please, I would like to make this statement. I could develop the testimony by Dr. Rankin which would corroborate Mrs. Semans' testimony with respect to service on the local trains. I tender him to the opposing counsel for cross examination on that line, in the interest of time.

Chairman Westcott: You tender him on that line of questioning?

Mr. Bryson: Yes.

Chairman Westcott:

Q. Did you hear the testimony of Mrs. Semans?

A. Yes, sir.

Q. Would your testimony be substantially the same along that line?

A. It would be similar.

Cross examination.

By Col. Joyner:

I have been living in Durham since 1927. There have been other railroads running into Durham. They are the Norfolk & Western, the Durham & Southern, the Seaboard, and the Southern. The Norfolk Southern came from Nor-

folk. I don't know whether the Norfolk & Western had until 1957 a train from Durham to Lynchburg connecting with Southern Railway at Lynchburg. It could be right. [fol. 191] I also remember that the Seaboard had passenger service from Durham to Henderson, if you call it that. It was very inferior service. It was a mixed train with one car as I remember it. The Seaboard still runs a line of railroad from Durham to Henderson. It handles freight out of Durham. I don't imagine that any of the other railroads, the Seaboard, Norfolk & Western, Durham & Southern, and the Norfolk Southern handles passengers. Of course, I might have taken the same position at that time. At the time, the Norfolk & Western discontinued its passenger service, I thought it was a little bit inconvenient to me also.

A good many of my associates and I, myself, sometimes use the airplane. When I do, I usually drive to the airport. I don't know how far it is from my home to the Raleigh-Durham Airport, but I imagine it is around ten miles, something like that. That is approximate. I do not know. I would say that the airport facilities at the Durham-Raleigh Airport are certainly equal if not better than any city in North Carolina. Greensboro and Winston-Salem might have equal. I just don't know.

I am on the City Board of Durham. It is a fact that the City of Durham makes a contribution to the Raleigh-Durham Airport. It is awfully hard for me to call it a contribution. It is our ownership of the airport. I wouldn't call it a contribution when we are running something that belongs to us. It is owned jointly by the City of Raleigh, County of Wake and the City of Durham and the County of Durham. It costs the City around \$10,000 to operate. I am frankly not sure whether it costs around \$12,500 a year.

Redirect examination.

By Mr. Bryson:

Q. Dr. Rankin, one more question. Mr. Joyner asked you about the use of the airplanes out of the Raleigh-Durham Airport. Have you ever had any experience when you

[fol. 192] were unable to get a plane out of the Raleigh-Durham Airport?

A. Weather.

Q. Any other?

A. Well, during the strike, certainly I was unable to get on in the fall.

Recross-examination.

By Col. Joyner:

Q. I hand you, Doctor, what purports to be a report on the audit of the City of Durham, North Carolina, year ended June 30, 1959, Ashlin Thomas and Knight, Schedule F-8. I wish you would read what is there relative to the Raleigh-Durham Airport.

A. It is properties.

Q. What is it?

A. \$246,000.

Q. The equity of Durham, Raleigh City equity, \$246,000; is that right?

A. That is what is there.

Q. I don't question the accuracy of that, do you, Doctor?

Redirect examination.

By Mr. Jones:

The Raleigh-Durham Airport, that is the grounds, the buildings, etc., are owned by the four units of government, Wake County, Durham County, City of Raleigh, and City of Durham. By an Act of the General Assembly of North Carolina the Raleigh-Durham Airport Authority was created and established. The Raleigh-Durham Airport Authority operates the airport. The Raleigh-Durham Airport Authority is a municipal corporation, makes leases with various airlines and other users of the airport. The city does not, nor does any unit of the government.

Now, the figure of \$246,000 to which I referred awhile ago is the figure that the certified public accountant who made the audit put in as the equity in the land and build-

ings at that airport which the City of Durham owns. The airlines pay for the use of the airport to the Airport Authority at the rates set by the Airport Authority in the agreement with the airlines.

[fol. 193] Recross examination.

By Col. Joyner:

Q. I found one other place I think we can make the matter accurate that we estimated a few minutes ago. I call your attention to Schedule B-1, Page 2. Raleigh-Durham Airport.

A. \$12,500.

Q. Also, just for the record, of course, the City of Durham does not make any contribution to the railroad.

Mr. Burns: Objection; move to strike. Whatever the City of Durham does for Southern Railway is irrelevant.

A. I do not know if they make any contribution.

Redirect examination.

By Mr. Jones:

I feel sure that we would like to get the dividends that the railroad stockholders get. All appropriations which are made by the City of Durham to the Airport Authority are for capital improvements where we have the equity in the property there. They are not for current expenses at all.

Chairman Westcott: I understand from the testimony that these four corporations own all the properties of the airport, and in turn they lease a right to use those, certain of those facilities and derive revenue from the lease.

Witness: Not exactly. I don't think you are correct there. What we do under the Act of the Legislature, an authority is set up, called the Airport Authority. This is a separate authority which administers the airport which leases and which makes contracts.

Examination by Commissioner Eller:

I am not officially representing the City Council. I am not representing any action that they have taken. I came really as a Professor at Duke University to testify to the degree that I used the railroad since January, 1959.

Q. In other words, your testimony relates solely to your personal position; it does not represent any position at Duke?

[fol. 194] A. My position at Duke University and the way I use the railroad.

Examination by Commissioner Worthington:

When I use the trains they are not full. As a usual thing I find from five to ten people, something around there. You see, they get on at Burlington and they get on at Greensboro, but when they go through Durham, I would say there is about five, something like that. That is a casual observation.

Redirect examination.

By Mr. Jones:

It is true that the City Council did authorize and direct the City Attorney to file and intervene here in behalf of the City of Durham and to protest the discontinuance of these trains.

Recross examination.

By Col. Joyner:

I do not remember how the vote was in that City Council meeting. It must have been 100 votes since then and there are 13 there. As I remember the City Council has taken two votes on the question of whether they would oppose this application. The first vote was not to intervene. The second vote was to intervene.

Redirect examination.**By Mr. Jones:**

When the matter came up before the City Council there were two men there that requested us not to intervene. One was J. Marshall Spears who is counsel for the Southern Railway Co.

Recross examination.**By Col. Joyner:**

At the next meeting, the meeting when the Council changed its position, I just don't remember who was there; I just don't remember.

DR. HAROLD HOTELLING testified as follows:

Direct examination.**By Mr. Brooks:**

I live in Chapel Hill. I am Professor of Statistics at the University of North Carolina. I have been at the [fol. 195] University of North Carolina for 13 years. I was connected with the University of Columbia before coming to the University of North Carolina. I am connected with the Department of Statistics and the Institute of Statistics. People from abroad and from these United States come to the University of North Carolina to obtain information and carry on research in statistical theory and methods. The ones who come from foreign countries and from more distant parts of this country seem usually to use the rail service. Whether they come to Durham or come to Raleigh seems to depend on whether I write to them that there does exist rail service on the Southern Railway from New York to Durham. They do not get that information in the Pennsylvania Station in New York nor from travel agents in England, Sweden, France, Italy, Egypt or India. In all these places, one who inquires how to get to Chapel Hill,

North Carolina, seems to be told that the thing to do if coming by train is to go to Raleigh. We who live in Chapel Hill know—at least some of us know that that is an inconvenient procedure. It means traveling about 30 miles or more from the Raleigh railway station to Chapel Hill as against 9 or 10 from the Durham railway station. Unless I take special pains to write very emphatically that they come to Durham, they come to Raleigh.

In my opinion, from the experience that I have had in my department, the railroad service in Durham to and from Durham is needed by people going to and from the University of North Carolina. It seems to be many times there is a great need not only for the maintenance of the service, but it is the improvement and especially for more effective dissemination of information not merely about the time schedules, but also about the relative advantages of this way of getting to Washington, New York and Boston as against others.

[fol. 196] I use the train service to and from Durham to points north and south. I use it for a variety of purposes. Sometimes to go to research conferences, sometimes to go to Europe, and sometimes for personal reasons. It seems to be the general rule that those people whom I contact or write take the rail service to Durham, but those whom I do not contact and advise, they take the rail service to Raleigh. Over the 13 years I have been in Chapel Hill and in touch with the situation, I should say that the considerable majority of people coming to Chapel Hill from foreign countries come by rail. In a great many cases these people from abroad bring their families with them. It depends on how long they plan to stay and how rich they are. It is a bit more expensive to use the airlines. I say that. It is a complicated thing.

A very large joint movement of students at the University of North Carolina, which they call the Caravan, is planning to go by rail to the North Carolina-Maryland game, and they plan to have different cars for different campus organizations. They have arranged to have a special train run. It is by Seaboard. They will embark at Raleigh. They could, of course, get more easily to Dur-

ham. I do not know whether or not the Southern Railway made any effort to get that caravan of students going up to Baltimore for the University of Maryland. I am sure that arrangements could have been made if the railroad had been willing. And the students would have had 25 miles less, or 50 miles less, to ride by automobile if they had taken the train in Durham instead of Raleigh, or something of that order, and they would arrive at the same destination if they had taken the Durham train. I don't know whether or not the Southern Railway was interested in having the students riding the train.

Quite a large proportion of the people who contact my department from 250 or 500 miles from the University of [fol. 197] North Carolina use the train service. Coming from that distance, ordinarily, on the advice of their local station agents and travel agents, they go to Raleigh. After I advise them that they can get to Durham a good many have changed and come to the Durham station. There have been some exceptions. There was one visiting professor from London, England, whom I advised to come by train to Durham, but my voice could not prevail against that of the travel agent in London from whom he bought his ticket who, on information from some source, I don't know what, I suppose, the Seaboard Railway, told him that he must go to Raleigh in order to get to Chapel Hill, and they made him believe there was no other way to do it. In spite of what I had written in favor of Durham.

Cross examination.

By Col. Joyner:

I said it was ten miles from Chapel Hill to Durham. It depends on what part of town you measure from. It is approximately 50 miles from Chapel Hill to Greensboro. There is not now any passenger rail service into Chapel Hill. I understand there was many years ago. Depending on what part of Raleigh you measure from, I think it is approximately 30 miles from the center of the campus.

With reference to whether those people coming from foreign countries would have some desire to go to the

Capital of the State, I think most of those that I have had to do with had no idea where the Capital of the State was until they had been there for some time. It is possible that some boys in Chapel Hill would prefer coming to Raleigh than to Durham. They might prefer going to Greensboro.

Examination by Commissioner Worthington:

When I ride that train it doesn't seem to be overcrowded at all. We get the private rooms. We don't see much of each other. It is hard to estimate how many people ride the train. It seems to have been a diminishing number of people getting off the train. On my most recent trips [fol. 198] when I got off at Durham, I would say approximately only three or four companions; usually more.

DR. JOSEPH J. SPANGLER testified as follows:

Direct examination.

By Mr. Bryson:

My address is 2240 Cranford Road, Durham. I came to Durham in 1932, and, except for during the war period, I have been there ever since. I am in the Economics Department at Duke University. I am Director of Graduate Studies in Economics. My duties as professor of conducting graduate studies in economics takes me out of the city of Durham very frequently, at least that is what my wife says. I have to get out, I suppose, twelve to twenty times a year. In my travels in and out of the City of Durham, I use the Southern from six to twelve times, and some years I suppose maybe 15 times. I was just checking my records, the forecasting records a bit, as some of this testimony was going on, and I have to go to New York on October 16, and New York on November 5, and Philadelphia November 10, and New York November 20, Washington December 8, and I will be on the Southern each time. I will go on the train going north that leaves Durham at 7:00 o'clock, and I will come back on the other one.

I use the service because it is superior to any alternative. There are really two reasons for it. The air service is too uncertain. I can't gamble on it. I have got to go up a day ahead of time if I go to Washington; even then I have to go ahead of time because the meeting will start at 9:00 o'clock in the morning, and even if the planes pull out on time, one does not get there soon enough, but if one goes to Philadelphia or New York, the only sure way of getting there is to go there on the train because we have icy weather, we have misty weather and they say the equipment fails on Eastern, and you have no end of trouble but for people in my situation, there is an additional reason. [fol. 199] I can get on the roomette in the Southern at 6:55, or whenever it happens to leave, around then; I can take my books there and I can work to midnight and nobody bothers me, and I can go to bed and I can get up at 6:00 in the morning and get a good meal, when they put the diner on at Baltimore. That is about where you can begin to be fed, at least by my schedule, if you are going to New York, you can get in another couple of hours' work; no disturbance, so you can make your trip without any loss of time. The air service just doesn't compare to them because you lose time going to hotel. Then to get your air limousine, and then maybe it runs, maybe it doesn't. You got somebody sitting next to you. You can't work. They bring you coffee, and they bring you this or that. There is no comparison for a professional man. I think that would be true of a lawyer, too.

I have a very pronounced opinion as to whether the people in the City of Durham and the immediate surrounding area would have adequate transportation, passenger transportation facilities to points north such as Washington, Philadelphia and New York, if these two trains 13 and 16 are discontinued.

My opinion is that they will not have a satisfactory alternative service because the air service isn't satisfactory. It is not certain. We have had a little bit of experience with the Norfolk & Western because the Norfolk & Western used to tie into Lynchburg, and then you could get a train to Chicago or Columbus or Cleveland or Detroit or wherever

you wanted to go when it was running up to Cincinnati or points north. Now, that is off and you got to take a bus and sometimes the connection is unsatisfactory. So you take a plane instead. Well, what happens, sometimes you go to Washington usually for a plane. Although there is a direct connection to Chicago but you run into difficulties, then you run into them coming back, and actually if you can work, as [fol. 200] a professional man it was much easier the old way than it is now and the alternative under the new situation, if we couldn't ride the Southern the comparison is far wider than it was in the first case, the Norfolk & Western case to which I referred. There is no question in my mind, we would be extremely deprived.

I know my colleague, Professor Hoover, makes use of these facilities rather frequently because I know he has to go to meetings here and there, and I know of others. I know rather better about him because he is a near neighbor of mine. I know a good many that do. I couldn't say how many go. I haven't ascertained that but I know that some make use of these facilities.

To the best of my knowledge, the Southern Railway Company does not make any effort to advertise its facilities as far as these trains are concerned to the people in the Duke University faculty and students there on the campus. I am a strong exponent of the capitalistic system, but I think one could do a better job of selling. You take the Eastern Air Lines. They send a representative out every once in a while, saying, "Are you going to be making a trip soon?" I am sure you could sell a good deal of traffic if one put one's back into it.

I do not know whether other public carriers advertise in the community. My only knowledge of my own is that Eastern Air Lines, they send their representative, Mr. Werner, out periodically. Maybe others also and they see if they can do some business. I don't really know about what the Seaboard does because while I have taken the Seaboard to Florida on an occasion or two, I didn't really have a chance to inspect it. I have taken the Southern to New Orleans on an occasion or two, and I was thinking much more of the trip to the north and east rather than the southern route. So I don't really know except as to Eastern.

I think the service of these two trains is absolutely essential. I think certainly some satisfactory solution could [fol. 201] and should be worked out.

[fol. 202] WATTS HILL testified as follows:

Direct examination.

By Mr. Bryant:

My name is George Watts Hill, Sr. I have been a resident of Durham for 56 years. I am Chairman of the Board, Durham Bank & Trust Co. I am Chairman of the Board, Home Security Life Insurance Company. I am a former member of the City Council of Durham for eight years. I am Chairman of the Board of Governors for the Research Triangle Institute.

Chairman Westcott: In the record now for the protestants or intervenors, we have Exhibits A through F. Can we designate his as A-1, B-1, etc., to eliminate any confusion as to numbers?

Witness: I have exhibit labeled A-1.

Exhibit A-1 (Identified).

This is the basic brochure entitled "The Research Triangle of North Carolina." As to what the Research Triangle Institute is, reading from the first paragraph on the next to the last page, for your convenience, "The Research Triangle Institute of North Carolina, a nonprofit, public [fol. 203] service corporation," . . . I am skipping several items to get to the fundamentals to save time . . . ". . . was established to provide research services, both applied and fundamental, for industry, military departments, and other agencies of the government." That is the Federal Government.

"The Institute's objective is to develop and maintain a research staff and facilities to render research services in many areas of physical science, engineering, economics and statistics. Other activities related to the overall objectives of the Institute will be added as various programs develop in the future."

On the last page, the second paragraph:

"The Foundation has assisted in the establishment of the Research Triangle Institute, a corporation organized for the purpose of establishing and operating facilities for research in the physical, biological, medical, mathematical, agricultural, economic, and engineering sciences, and the contracting for the conduct of investigation and research in such sciences."

The listing of the Officers, Board of Directors and Executive Committee of the Research Triangle Foundation are listed on the back of the brochure, A-1. That is the Foundation, not the Institute.

Brochure No. B-1 contains maps and data and has a map of Raleigh, Durham and other sections of the Research Triangle on the front page.

Exhibit B-1 (Identified).

This brochure is a recent brochure by the Research Triangle Foundation Office, in Raleigh, published in the Spring of 1959, and contains primarily maps, plus buildings, labor and entertainment facilities data for the benefit of prospective corporations' executives and personnel.

[fol: 204] I have a brochure on Resources for Research in Forestry and Forest Products in the Research Triangle of North Carolina.

Exhibit C-1 (Identified).

That publication was published in 1958 and revised and republished in the Spring of 1959.

I have a brochure on Resources for Research in Electronics in the Research Triangle of North Carolina.

Exhibit D-1 (Identified).

The date of publication of that document is July, 1959, as shown on the last page.

I have a brochure on Resources for Research in Chemistry in the Research Triangle of North Carolina.

Exhibit E-1 (Identified).

The date of publication of that brochure is 1958 and it was republished and revised July, 1959.

I have a brochure on Engineering Resources for Industrial Research in The Research Triangle of North Carolina.

Exhibit F-1 (Identified).

And the date of that brochure is revised publication July, 1959.

I have a brochure entitled "A Full Life in the Research Triangle of North Carolina."

Exhibit G-1 (Identified).

And the date of that publication is published 1958.

Referring specifically to Exhibit B-1, there is a map of the property known as the Research Triangle on page 2 and there is a grey label and number on the side and it folds out. That map shows the location of the City of Raleigh, the location of Chapel Hill, and of Durham. It shows in blue color near the center of the map the property known as the Research Triangle Park.

Q. Now, please state what the Research Triangle Park is as shown on that map?

[fol. 205]. A. As illustrated by the map, I would like to read from A-1, the third page from the back, entitled "The Research Triangle Park." "The Research Triangle Park, about 4,300 acres" (it is now 4,500 acres) "being developed as a campus for laboratories, is at about the midpoint among the three Triangle institutions." Meaning by that, Duke University in Durham, the University of North Carolina at Chapel Hill, and N. C. State College at Raleigh. "From the center of the Park, it is no more than 15 miles to the campus of any one of the three institutions. In addition, the Park is only five miles from the Raleigh-Durham Airport."

And the first paragraph of that section: "The primary function of the Research Triangle Park is to serve as a location for industrial and governmental research facilities which can benefit from associations, formal or informal, with the research community of the Triangle Universities."

The portion of the map designated in blue as the Research Triangle contains approximately 4,500 acres. It is contiguous to a portion of the Southern Railway's line from Durham to Raleigh. The eastern border of the Park is contiguous with the Southern Railroad main line east-west service, and for some 5,000 feet. I call your specific attention to the white area immediately opposite the words "Triangle Park." In that blue section, 80 per cent of that white area has recently been purchased for the account of the Park. So that it is almost a continuous line from the

northern boundary on the east side, down to below the Cornwallis Road and almost to NC 54.

That portion of the Southern shown there as being contiguous to the Research Triangle Park is the same portion of the Southern Railway's line between Raleigh and Durham over which Trains 16 and 13 run.

I have made an effort to condense in a written statement what the Research Triangle Institute is. I have that writ- [fol. 206] ten statement. I will now read that written statement.

This is a statement by George Watts Hill, Chairman of the Board of the Research Triangle Institute, Board of Governors, and, in passing, I may say this was unanimously approved. The petition of intervention was unanimously approved by the Executive Committee of the Research Institute, and I was requested on behalf of the Institute to make this statement.

I, George Watts Hill, affirm that I am the Chairman of the Board of Governors of the Research Triangle Institute, a non-profit organization incorporated December 29, 1958, under the laws of the State of North Carolina; that I am the official representative of that organization, acting with the full approval of its Executive Committee.

The Research Triangle Institute is now occupying 10,000 square feet of temporary quarters in 505 West Chapel Hill Street, Durham, and will move its office to the Research Triangle Park as soon as the Hanes Memorial Building is completed in the fall of 1960. The Institute also has under lease at 807 Bacon Street, East Durham, as close as we could get toward the park, a 10,000 square foot building for the conducting of laboratory Research. And where RTI appears, it stands for Research Triangle Institute. The building houses RTI Isotopes Development Laboratory.

The Institute has a staff of 44 employees actively conducting contract research. Contracts for research have been received in an amount approaching a total of \$500,000 in the fields of nuclear energy, statistics, and operational science.

Institute progress to date indicates that the Research Triangle might well become a major center of industrial and government laboratories. As a matter of fact, the Tri-

angle is now a center of research, as the three university [fol. 207] units are budgeting over seven million dollars per year for research. The expected growth of the Research Triangle Institute can best be stated in terms of the history of similar organizations elsewhere in the United States. Other non-profit research institutes range in size from approximately 275 employees to over 2,000. After only seven months of active operations, the Institute has obtained a size not reached by some of the older organizations until their second year of activity. Research volume projected for 1965 is \$6,000,000 and for 1970 is \$12,000,000. It is anticipated that the staff of the Institute will number 500 in 1965 and perhaps 1,500 in ten years.

The Research Triangle Institute plans to expand into new areas of chemistry, physics and engineering. The Institute is designed to serve as a focal point in attracting industrial research laboratories to the Research Triangle Park and the Triangle Area, as well as throughout the State of North Carolina, meaning the area encompassed, the triangle composed of Raleigh, Durham and Chapel Hill. The fact that The Chemstrand Corporation, one of the major manufacturers of synthetic fibers in the country, has purchased 100 acres in the 4,500-acre Research Triangle Park and is beginning the construction of a major basic research laboratory employing a large number of scientific personnel confirms this statement. Construction began Monday, October 5, sir.

The Research Triangle Institute will be located on a 250-acre Institute campus in the heart of the Research Triangle Park. As indirect result of the then planned organization of the Institute and its plan to move into the Research Triangle Park, the Astra Corporation, a group of nuclear engineers, moved from Connecticut in July, 1958, to temporary quarters in Raleigh until a facility is available for their occupancy within the Park. ECSCO Corporation of California has made commitments in that it will shortly open [fol. 208] an eastern office in the Park to continue their engineering studies on certain types of electronic and missile support equipment.

It is to be expected that numerous scientifically oriented industrial facilities will be established in and adjacent to the Research Triangle area in order that the staff of these

industrial research laboratories might use the scientific research facilities available through the Institute and the three cooperating University units: Duke University in Durham, University of North Carolina at Chapel Hill, and N. C. State College in Raleigh. This has been the history of the tremendous concentration of research and industrial facilities in the Boston area in close proximity to Harvard University and Massachusetts Institute of Technology. So, in Northern California, one finds an extensive concentration around Stanford University and the Standard Research Institute. 3,200 acres of the Research Triangle Park have been reserved for the exclusive use of research laboratories and supporting facilities. This means that there will be no manufacturing within that portion of the Research Triangle Park. Evidence indicates that many manufacturing plants will locate in the neighborhood of the cities of the Triangle close to the Research Triangle Park and the Research Triangle Institute.

This potential industrial expansion, while materially adding to the freight revenues of all railroads serving the Triangle area, should also materially add to the potential passenger traffic from this area. The Southern Railway should receive the greatest benefit from this potential as the Southern Railway is now furnishing the only passenger service to and from Durham, the nearest passenger station to the Research Triangle Institute.

The Southern Railway Company's petition to abandon passenger service east of Greensboro should not be considered solely on the basis of past experience nor on the basis of revenues and expenses directly applicable to that particular segment of Southern's total operations. Rather, it should be recognized that the subject service constitutes part of the total transportation network serving the Research Triangle area. Coupled with such other facets as cultural and educational environment, recreational facilities, and good communities, good transportation of all types is an asset which will contribute to creation of a major national center of research facilities in the Research Triangle in future months and years.

The Research Triangle program was undertaken with confidence that the establishment of industrial and govern-

ment research facilities in this immediate area would stimulate the expansion of production, service, and distribution facilities throughout the entire State and region, thereby accelerating the expansion of the economy upon which Southern is dependent for a large share of its freight revenues.

The State of North Carolina's confidence in the benefits to be derived from this program has been demonstrated by the action of the General Assembly in 1959 in appropriating a grant in aid of \$200,000 to the Research Triangle Institute for purchase of fixed and movable equipment.

Even considered in terms of the limited Research Triangle area, Southern Railway's desire to abdicate any rights to participate in the passenger business would appear to be ill advised at a time when the area is beginning to experience an era of economic expansion which may well be unprecedented in the history of our State. Certainly the growth of the Research Triangle Institute, establishment of new research laboratories of industry and government, and growth of the area's educational institutions will multiply many fold the passenger revenues potentially available to all types of public carriers serving this area.

[fol. 210] With roughly comparable rate schedules, adoption of efforts to improve service and aggressive promotion, Southern Railway should be in a position to capture a greater percentage of the medium-distance, or overnight range, passenger traffic than it now enjoys. Such efforts made at a time when total business travel from the Research Triangle area is on the threshold of accelerated growth, cannot help but result in increased passenger revenues.

A substantial portion of staff travel, that is staff of the Research Triangle Institute, involves trips to Washington, Philadelphia, and New York. The Institute staff has been using Southern Railway's overnight Pullman service on some of these trips. Improved service and convenience would result in increased use of this route as the Institute's staff continues to grow. The Research Triangle Institute assumes that other laboratories locating in the Park will have similar transportation requirements. The proposed abandonment of Southern Railway's passenger service from

the Research Triangle would inconvenience such laboratories and would ignore the passenger potential which can be attracted by good service and convenient schedules.

Attached to this statement and requested to be made exhibits thereto are the following:

Exhibit A-1:

Basic Triangle Brochure, revised July, 1959, "The Research Triangle of North Carolina";

Exhibit B-1:

"The Research Triangle, North Carolina—Maps, Data (See Location Map, page 2, published 1959)";

Exhibit C-1:

Brochure entitled "An Invitation to Investigate Resources for Research in Forestry and Forest Products in the Research Triangle of North Carolina," revised Spring, 1959.

[fol. 211] **Exhibit D-1:**

Brochure entitled "An Invitation to Investigate Resources for Research in Electronics in the Research Triangle of North Carolina," July, 1959. (Note reference to train service on next to last page under the heading "Accessibility.")

Exhibit E-1:

Brochure entitled "Resources for Research in Chemistry," published 1958.

Exhibit F-1:

Brochure entitled "Engineering Resources for Industrial Research in the Research Triangle of North Carolina," published 1958. (Note on eleventh page under "Transportation" references to railroads.)

Exhibit G-1:

Brochure entitled "A Full Life in the Research Triangle of North Carolina," published 1958. (Note reference to railroads under heading "Transportation" on page 25.)

GEORGE WATTS HILL, Chairman Board of Governors.

Q. Mr. Hill, have you made an investigation to determine the amount of travel expense for members of the RTI for the month of August, 1959? And, if so, can you give us that figure?

A. I have a report in front of me, dated October 8, from Mr. S. C. Ashton, Administrator, of the Research Triangle Institute.

**Mr. George Watts Hill
Chairman of the Board of Governors
Research Triangle Institute
Durham, North Carolina**

Dear Mr. Hill:

The following is a breakdown of money spent in travel from the start of our books . . .

Beginning the first of January through August 31, 1959; Total travel including subsistence and tickets for air travel, rail, and car—\$13,211.99. Total travel ticket money paid [fol. 212] to air lines—\$4,003.24. Total train tickets purchased—\$367.62.

It is difficult with our system of books to break out all car transportation. However, quick appraisal indicates \$2,000 to \$3,000 of the \$13,200 as being paid for mileage allowance.

It is my opinion that in the winter months with the uncertainties of air travel, rail travel will increase.

Our books clearly indicate that travel and subsistence payments are increasing in a straight line function with the number of staff, having gone from \$429.10 in January to \$5,540.17 in August, 1959.

Very truly yours,

S. C. Ashton
Administrator.

That is the conformation of the statement.

Col. Joyner: I am not asking the witness a question, but if it is possible when he returns tomorrow, I would request that he ask for a breakdown of the total train

tickets purchased to show how many of those were on the trains in question and how many were on other trains.

By Mr. Bryant:

Q. Do you know whether that would show that, Mr. Hill?

A. My request was for train traffic. I will check that.

Q. Check it to see if you can furnish Col. Joyner the information he now requests.

A. That is the \$429.10 item.

Col. Joyner: That is the \$367.00 item.

Chairman Wescott: Your question, Col. Joyner, is what part of that applies to Trains 13 and 16?

Col. Joyner: Yes, sir.

Witness: I may state that the majority of travel, almost all the travel originates in Durham and goes to Washington, Philadelphia and New York because it is impossible to get to Oak Ridge or to Huntsville, Alabama, by train with any reasonable time limit.

[fol. 213] Temporarily the present headquarters of the Institute are at Durham, until the building is constructed.

I have said that there were three companies, being the Research Triangle, the Pinelands Company, and the Research Foundation. The Pinelands Company owns the Research Triangle Park. The total stock of the Pinelands Company is owned by the Foundation. The Foundation was financed by contributory campaign in the fall of 1958, when pledges were received of \$1,500,000. Those pledges were solicited and received from 97, I believe it is, contributors throughout the State and some out of State corporations doing business in the State. The Southern Railway Company was given an opportunity to contribute but declined.

In connection with expenditures made by the Southern Railway Company in this area in promoting the industrial development of the area I know of no advertisements, I have had limited contact and know of limited contact by the Southern industrial agents active out of the Charlotte office. I know of no expenditures in the area between Greensboro and Goldsboro that I can pinpoint. The brochures that I made reference to yesterday do contain refer-

ence to rail passenger service. The big brochure known as B-1 has no reference to rail passenger service. The following brochures are prepared for professional people. I am speaking of B-1. B-1 has a map containing the location of the railroad. It has no written material referring to rail passenger service.

The following five, I believe it is, brochures, four brochures written for professional scientific people, primarily concerned with the facilities available in the Universities and the area for scientific work. C-1 on forestry does not mention passenger trains because very few forestry people, it has been our experience, have any concern. They are primarily located within the State and tend to remain in [fol. 214] the State to a greater degree than other types of professional people. Brochure No. D-1, Electronics, on page 7, that is the next to the last page, states under the major heading "The Community, Accessibility," reads as follows: "Two main North-South railroads serve the Triangle, with excellent overnight transportation to Washington and New York." Then it makes the comment about the Raleigh-Durham Airport. Brochure E-1 on the Sources for Research in Chemistry makes no mention.

Brochure F-1, Engineering Resources for Industrial Research, on page 11, under Transportation, that is about five or six pages from the back, "A Place for Living," makes the similar statement under Transportation. "Two main north-south railroads serve the Research Triangle with excellent overnight transportation to Washington and New York. Located on the main line of these railroads, there are several trains daily." And the final brochure, Exhibit G-1, which was written for the wives of potential people interested in the program, on page 25, which is towards the rear, there is a nice plug for the Southern, under the heading "Transportation." "Two major passenger railroads and three airlines serve the people and industry of the Research Triangle." "Fast and comfortable Southern and Seaboard Air Line Railroad trains travel overnight from Raleigh and Durham northward and southward, to New York, Washington, Atlanta, and Miami."

Of course, the Southern Railroad is shown, as mentioned yesterday; along the eastern boundary of the Research Tri-

angle Park. At some point I would like to comment on an opinion of the value of the passenger service to Research Triangle Institute. I have been active in soliciting industries in this area for the past three or three and a half years. Concerning my solicitation of industries, report has always been made to conferences that have been held in Chapel Hill, in Raleigh and in Durham with key executives [fol. 215] of national corporations which appear to be interested and stated they were interested in locating in this area, studying the situation and also possibly building research laboratories in the area. They have always asked the question of our passenger service primarily to Washington, Philadelphia and New York because many of them have their home offices in New York and quite a number of the men, such as General So-and-So, Vice President of Research in So-and-So, state that they do not like to fly and they prefer to take the train and like through overnight service.

As to whether rail passenger service is an important factor in the location of industry in this section, I think personally, and speaking also on behalf of the Institute, it was at their request that I so state, that it is a convenience and a necessity to the Research Triangle Institute activity. Without it, there would be a real problem. With it, everyone has taken for granted that it would continue, and it is a service that we think has a very definite effect on the future potential development of the Research Triangle Institute and many of the companies that would be attracted, we hope, to the Research Park in the area because of the Institute.

There was no objection raised by the public, to my knowledge, to the elimination of the two prior trains that went each way, two trips per day, but if the last service is eliminated, it makes a very difficult situation. The question might be posed that people have not complained about lack of service. That question has never arisen because the service was available and no one thought of it being removed until recently.

This particular area in this program has been approved as a Federal Aid program. The major roads within the Re-

search Triangle Park were recently placed on the Federal Aid Program which means that the Federal Bureau of High-[fol. 216] ways of the Federal Government will contribute 50% towards the cost of their construction, thus relieving the State and the Triangle program of that expenditure. I have a map indicating that.

As to an estimate of the number of people who will be employed in this particular area, Voorhees, Walker, Smith & Smith, the original planning consultants from New York, estimated that the Park was capable of handling 35,000 employees. The Park at that time was only 3,900 acres. Now it is 4,500 acres. They also advised, and this is the general rule of thumb of planners, that you multiply an employee by four to five persons to give effect to wives, children, service people, etc. Thirty-five times four is 140,000 within Raleigh, Durham and Chapel Hill.

As to whether the growth of this program would have any effect upon the freight, express and passenger service, it would appear that Durham and Raleigh together are slightly more, I believe, than that potential figure, so it would appear logical to estimate that the passenger and rail traffic should almost be double.

I have lived in Durham over fifty years. The present population of the City of Durham is approximately 85,000 to 90,000. There are six banks in Durham. One major bank merged several years ago and another merged September 1 with a State-wide chain; the former merger was a State-wide chain. Another bank is in process of merger with a Southwestern chain. I am in the process of merging two local banks.

Durham is considered the outstanding medical center of the Southeast from Baltimore, including Florida, and it is considered better than the area of Tulane University. As a university center it is one of the outstanding centers because of the prominence academically speaking of Duke University, the University of North Carolina, and State College.

[fol. 217] As to my use of the passenger rail service on these Trains 13 and 16, I used to use it a great deal. I have a peculiar situation in that I live some 15 miles north

of Durham. I used to drive to Danville and take the train, when I had the chance to go home, have supper. When that was not practical, I took the train to Greensboro, the New York Pullman out of Durham and back. I have not used it much in the past few years due to the inconvenience of transportation, etc. I am unable to use it coming back from Washington as I would like to use it without spending the night. I can take the Seaboard at 5:00 in the afternoon and be in Raleigh at 10:00 at night. I have used the train twice since the first of January of this year.

I got on the train sometime in the early spring, in New York, after being told in New York at the Pennsylvania Station ticket office that there were no spaces available. I couldn't believe it. I got on the train and found some six or eight berths available and had no problem coming back. That was in the Durham car. I wouldn't be concerned with any other car.

I have a personal opinion, relating not only to the Research Triangle but to the Durham community as a whole, as to whether the retention of these two trains, 13 and 16, by the Southern Railway is necessary for the public convenience and is a matter of necessity for the public of that area. The continuance of these two trains, in my opinion, from Durham to Washington and New York, is a matter of great convenience to me and the general public; and I think it is necessary for the proper development of the community. Without the facility, we fail to have, if nothing else, a standby facility in case of bad weather or people who normally fly. I have been stopped many times by planes being broken down or over weather. Quite a number of people do not like to fly and prefer to go by train, and that facility should be available to them. It is rather impractical [fol. 218] to go to Raleigh, leave your car, or have someone else bring it back, or go to Greensboro. It is impractical for other people to go to Danville. And I feel it is to the best interest of potential hospital patients, the University personnel to have the facility available. I have given it as my opinion that the retention of these trains is a matter not only of public convenience but of necessity to the Durham area.

I have read the portion of Mr. Belfield's testimony that he gave in written question and answer form. I have certain comments on Mr. Belfield's testimony. First, he hadn't done his research well, possibly as he should, because he only told part of the story about the brochures, meaning passenger transportation. He only noted one that failed to mention. He did not note the three that did.

On page 6 of that statement, question was posed: "Q. Have any of the industries that have located in the area now under discussion shown, to your knowledge, a need for rail passenger service?" That is to Mr. Belfield's knowledge. I would like to comment that I doubt seriously if the question of need arose as the service was available and expected to continue. That has been the situation. I doubt seriously if a question of need would arise until there was some question about it. He also made the answer to the question on page 6, "Q. Do you personally know of any industry that has been lost to this area because of a lack of rail passenger service, or the possibility that the operation of these two passenger trains would be discontinued?" He stated, "A. I know of no such industry."

Well, I doubt if he would, and I doubt if I would, because common practice has been by corporations if they fail to locate in a particular industry, they seldom tell you why. They fold their tents and quietly fade away. That has [fol. 219] happened too many times. He posed the question: "Q. Southern has discontinued two pairs of passenger trains on the Greensboro-Goldsboro line—Nos. 21 and 22—in September, 1954, and Nos. 111 and 112 in April, 1958. Have new industries located on this line despite the discontinuance of these trains?" I would like to comment that I know of no opposition by the public or any individual to the elimination of those two trains. Also, he lists in continuing answer on page 7 to that question, he lists certain companies that have located in Burlington, Raleigh, Durham, etc. I would comment that I do not think the Raleigh companies are pertinent to the question because they have main-line Seaboard Service, and to the best of my knowledge, the two Durham companies are not concerned especially with that type of service. Wright Homes is on the

Durham and Southern Railway, for one thing, and they are local.

As to Mr. Belfield's statement, "If industrialists find that a community insists on the continued operation of services which are not needed, they, in my opinion, become somewhat suspicious of the progressiveness of such a community." I would reverse his statement. My personal opinion would be that his approach is a new approach. I personally would become suspicious of the railroad for not promoting their service in giving better service. I would become suspicious of the railroad, not of the community, because it appears to me that the railroad has done almost everything in their power to eliminate the railroad by various and sundry means, eliminate the passenger service, not the railroad.

They are trying to kill off the passenger service for years, is the impression they give. Eastern Air Lines promotes and advertises. Southern Railroad, I have never seen an advertisement of this passenger service.

In addition, I would like merely to say that corporation executives with whom I have talked have expressed themselves as pleased that the passenger service to New York was available. The question has never been raised with them as to its discontinuance.

Cross examination.

By Col. Joyner:

I was unable this morning to break down the train travel tickets purchased in the amount of \$367.62 to find out how much of that was by Southern. But I will get it done today for you. That amount includes passenger service that is spent either on the Southern train out of Durham or by travel out of Raleigh by Seaboard.

I read Mr. Belfield's written statement. Mr. Belfield made a very nice plug for the Triangle Program in his statement. But the Southern Railway people failed to cooperate with the Park in their efforts to obtain around 190 acres of land adjacent on both sides of the Southern Railroad as a part of the Park. They were not going to acquire that land for

present railroad purposes, from my information they had not given it any consideration. It had been lying there vacant for many years.

First I went to them, talked with various Southern Railroad executives in Washington and talked to Mr. DeButts over the telephone and he declined to make the donation. So I went back, after Archie Davis, the Chairman of the Board of Wachovia Bank, and President of the Research Triangle Foundation, and Bob Hanes, Director of Southern Railway, had discussed the matter with Mr. DeButts and he had declined. I went back to them, and so did Mr. Davis, to see Mr. DeButts and requested that they buy the land and then turn it over to the Pinelands Park Company for development as a part of the Park, the cost of this land to be refunded. Mr. DeButts stated he was only interested in freight. Mr. DeButts stated to me by telephone that he was only interested in freight and they could not buy the land and turn it over to us, even on a refund basis. I have made no inquiry as to whether the Interstate Commerce Commission or this Commission would approve of such an [fol. 221] expenditure for a railroad for a contribution of this kind, but Norfolk Southern made a donation, and Durham & Southern made a donation to the Research Triangle Foundation program. Only three railroads in the Park area are reasonably adjacent. Southern Railroad is on the eastern boundary, the Durham & Southern touches the western boundary, the Norfolk Southern is immediately west but does not join. Seaboard and Norfolk & Western come in from north but they do not come into the southern part of the community which is the location of the Park.

The Durham & Southern Railroad is 44 miles in length, I believe. I believe it operates solely within the State of North Carolina. I understand the Norfolk Southern operates from Charlotte to Raleigh to Durham to Norfolk. I do not know where else. I have no reason to doubt that the only operation of the Norfolk Southern out of the State of North Carolina is from the North Carolina line to Norfolk. It is possible that there would be a different problem posed to railroads which operate in many States than the problem posed to railroads that operate only in the State of North Carolina with reference to justification of a contribution

to the Research Triangle. I don't know whether there would be a difference.

I stated that I am Chairman of the Board of the Durham Bank & Trust Company. I have been an officer of that bank for many years. I was originally President of that bank for a few years. We have a trust department in that bank. For many years the trust department has been engaged in the investment of funds in trust accounts in stocks and bonds of various enterprises. To a more or less degree it has been necessary for a man who is in the banking and investment business to become familiar with investment problems, and to some degree to become familiar with financial statements and interpretation of financial statements. [fol. 222] I understand it is a fact that the financial statements of railroads are very widely published; they are filed with the Utilities Commission; they are furnished to brokers and they are practically public property. Whether the amount of the net operating income of a corporation has significance to its prosperity only if there is also considered the value of the property devoted to the earnings of that income, all depends. Generally speaking, the investment public is interested in the return on the investment, a reasonable return. Whether a corporation that had a \$37,000,000 operating income and total plant devoted to the earning of that income of \$100,000,000 would be a highly successful and profitable enterprise again would all depend on what hidden assets, hidden liabilities, what potential for the future, what their past earnings had been, etc. It would also depend on management. Assuming no abnormal circumstances a company with a plant value of \$100,000,000 making a net income of \$37,000,000 would be a highly successful year if it were continuing; no depletion of assets; if it were continuing normal expectancy and no depleting assets. Assuming that you have a corporation with a plant value of ten billion dollars and it earns \$37,000,000, I say that a few zeros in the right place make quite a difference. Using just those figures, that would be a very bad year and a gloomy year for that corporation. In considering the affluence of the Southern Railway Company, when you get information that its earned net railway operating

income for the year 1958 was \$37,000,000, you would want to know what is the plant value that earned that income if you were an expert in railroads. I am not.

I don't consider myself an expert financier.

As a banker in charge of the investment of the funds of my bank, if I were asked to invest in the stock of a corporation and were furnished only with the statement that they earned \$37,000,000 last year, I would inquire into a great [fol. 223] many other things besides the value of the plant. The value of the plant would be one of the parts of the inquiry. I would also want to know how much water there was in the stock and whether the figures are book figures, whether they are actual figures, appraisals and I would like to know a great many questions about it. Referring to the report of the Southern Railway Company to the Interstate Commerce Commission, year ending December 31, 1958, Annual Report Form A, on page 300, page entitled "Income Account for the Year," at line 25, I find net railway operating income, line 7, 24, \$37,476,162. I take it that means the current year 1958.

Turning to page 230 of that Report, the last line, line 50, under the column "Investment in Property," shows investment in property of \$837,761,000. The column head of the next to the last line reads "Depreciation and Amortization of Defense Projects," in the amount of \$146,761,000. Subtracting the amount of the depreciation from the amount of the gross investment figure leaves a net of approximately \$691,000,000, with a net income of \$37,476,000 and a net investment of property of \$691,000,000, the rate of return comes out at 5% plus.

On page 200 of the Report the first two lines under the head "Current Assets" shows line 1, "Cash at the Close of the Year" of \$20,154,000; line 2 shows "Temporary Cash Investment" of \$40,000,000, and line 12 shows "Materials and Supplies" of \$7,269,000. I will accept subject to check that the first figure that I testified to, the Investment in Property, does not include the cash or materials and supplies. As to whether I consider a rate of return of 5.42% on an investment of more than 600 million dollars a fair rate of return, I would say that in the case of a railroad this was an extremely good return, especially with the po-

tential for development that they have at the present time and have had for the last five or ten years, which is [fol. 224] far better than any railroad I know of.

It is my understanding that within the last twenty years the value of the dollar has greatly declined. And that in many instances it would cost more now to replace property that was put in service, say five or even ten years ago, than it cost originally. Assuming that the fair value of the railroad plant of the Southern Railroad devoted to the public service was 20% in excess of the net investment in property and taking the \$691,000,000 and increasing it by 20%, the rate of return would be 4.9%. As to whether 4.9% rate of return is a fair return on railroad property devoted to the service of customers again depends on so many variables. It is not as good as five. I am not familiar with commission and court determinations of fair rates of return for railroads. We have very limited railroad stock in our bank portfolio. We have C&O and N&W railroad stocks, I believe, for our type of investment purposes. I don't regard railroad stocks as attractive investments for our particular type. Our customers wanted other types of stock. I think our only investment in railroad stock is in C&O and N&W. I am reaching way back in my memory on that.

I live 15 miles north of Durham the majority of the time. Eight months in the year I live there and four months in Chapel Hill. I come to my office five days a week. I ride in in the morning and ride back at night. I regard driving an automobile 15 miles as one of those necessities in life that I cannot skip and that is why I am moving to Chapel Hill. I drive from Chapel Hill to Durham but that is much less distance. That is approximately nine miles to my house instead of 15.

As best I can remember, I have used this train twice since January. I have no record of that. I went up to New York and I came back that one trip. I went up and, the other trip, I came back by train on Seaboard. I frankly [fol. 225] don't remember. I think I went up twice and came back once. During that period I have been up on the airplane quite a number of times because my work calls

for sudden trips to New York and Washington. When I go by air, I drive to the airport, leave the car, and it is a 15- or 20-minute drive. Also limousine service is available, which I use at times. On the occasions when I rode in the Southern Pullman between Durham and Greensboro, I do not recall how many persons got on with me at Durham. I think that there was possibly one that got on at Durham. When I came back, several passengers got off. To the best of my memory I did not use the train at all during 1958. Mrs. Hill and I used to ride the train a great deal back in the early '50's, ~~on~~ up until she broke her hip.

I do a lot of travel for the Research Triangle. I generally use the airplane, I drove several times through necessity.

I do not have any special complaint about the type of Pullman car that I got in when I traveled in January.

The only occasion for the sale of tickets out of Durham to the north would be for the afternoon train, 6:55. With the amount of travel that has been experienced in the past year, I would not think it would be justifiable to employ another ticket agent. I have no particular opinion about that.

As to what I would recommend as to improved service and as to whether I would recommend the employment of additional persons to sell tickets, it depends altogether on the potential use of the train and the potential demand. This presents some problem to some people. When I have called the train station myself I have usually found the phone busy or the phone failed to answer, and I have been in the habit several years ago of always trying to get my reservations four, five days in advance because of the fundamental problem of getting through to the ticket office [fol. 226] which is removed three or four blocks from my office. This would seem perfectly reasonable with the number of passengers you now have. This would seem reasonable based on the ~~number~~ of passengers that you have at the present time.

Q. Well, what I am trying to get at, Mr. Hill, say, starting tomorrow, if you were in charge of that operation, would you think it justifiable to employ an additional ticket agent?

A. That all depends, sir.

Q. With the information you now have, you have been quite free to testify as to the defect in the service, and I am trying to find out what you would do now to improve this service with respect to delays in getting tickets or the telephone being busy. Would you employ a ticket agent?

A. It depends on how much interest I had in that particular railroad service. Ticket sales is one of the component parts only and is an essential part, but there are other aspects of it. There are other aspects that I would pay special attention to.

Q. Well, I am trying to get your reaction, Mr. Hill.

A. I am not trying to be evasive.

Q. I am trying to get a reaction not as an enthusiast for the Triangle Park.

A. I think the community deserves good service.

Q. But I am trying to get your opinion as a businessman. Would you think it is sound business to employ another ticket agent?

A. Well, as Mr. DeButts has said to me, what would you do if you had a branch bank that is losing money? Wouldn't you get rid of it? I said, I would get out and work like thunder to promote that bank and get it on a paying basis. I believe in taking a positive rather than a negative approach.

[fol. 227] Q. I was going to get to the field of promotion. I am trying to cover the field of service.

A. Ticket sales is a part of promotion.

On the present schedule it would be silly to install a diner on that train tomorrow. I think you might have some food facility available either in the station or on the train.

Q. Did you hear the testimony that the commercial operator of the station closed even though the rent was reduced to \$2.50 a month?

A. Well, I gave space to people in my building just for the service, operated at a loss.

With my knowledge of the number of passengers leaving Durham on that train, I think that it would be reasonable to incur the expense of providing eating facilities at the station, either lunch counter or lunch stand.

Q. Now, in the field of promotion—

A. But you are only covering a portion of the picture when you specify certain things. It is an overall picture.

Q. I am trying to find out as a businessman what you would recommend be done with respect to that service. Those that I have omitted that you think are important, please mention them.

A. Go right ahead, sir.

I have not made any study of trends over a number of years of the loss of passenger business by the railroads in the United States.

Q. Have you made any study of the efforts that the railroads made by reason of advertising, putting on trains, reducing fares, to prevent the passenger business actually declining?

A. I have seen newspapers and other advertisements to that effect, sir.

Q. And you know that as a fact, do you not, that the passenger business of railroads has declined notwithstanding the great increase in population, notwithstanding the greater activity in business, and notwithstanding such promotional efforts as the railroads may have made?

[fol. 228] A. I understand there has been a decline in places, yes.

Redirect examination.

By Mr. Bryant:

I am not familiar with any promotional activities by the railroad as far as the passenger service on this Goldsboro-Greensboro run is concerned. I don't remember seeing anything.

Redirect examination.

By Mr. Burns:

As an investor and looking at the stock I understand the percentage of dividends paid over a number of years is one of the criteria. Another criterion would be the relative safety of the investment.

If I knew of a company that had in recent years a two for one stock-split and had a $2\frac{1}{2}$ for one stock-split and during that same period it had paid adjusted dividend per share of 60¢ per share in 1950; 80¢ per sh. 1951; 80¢ per sh. in 1953; \$1.40 in 1954; \$1.60 in 1955; \$2.50 in 1956; \$2.80 in 1957; \$2.80 in 1958, and for the first eight months in 1959 the company had earnings per share of \$2.85, I would say that that was evidence of a definite improvement in position. I would have to know a great deal more before I could say whether that was evidence of a financially sound investment. It would be interesting to say the least. It might be an attractive stock. It would be sufficient to attract one's interest to investigate further.

Further cross examination.

By Col. Joyner:

The accumulation of surplus is normally out of retained earnings and/or the sale or liquidation of capital assets. If there are no sales of capital assets, it would be retained earnings, and when there are earnings, they would be earnings that are available for dividends normally, net earnings normally available for dividends. And when they are put into surplus rather than paid out to the stockholders, that represents in substance an additional investment of money by the existing stockholders in the plant equipment of [fol. 229] the corporation as long as it remains there.

Q. Don't you know that as a fact that many, many years Southern Railway didn't pay any dividend at all?

A. I understood they had some problems. I don't know the dividend record.

I know that in railroads, generally, the money that has been acquired for the purchase of new equipment, the improvement of roadbeds, the improvement of rail service generally has been acquired by stockholders' money retained from earnings and the sale of bonds and stocks.

Q. How about sale of stock? Do you know of any railroad of a substantial size operating in more than one State in the last ten years that has attempted to float a common stock issue?

A. I am not familiar with railroad investments. I am sorry.

Examination by Commissioner Long:

When I was examined by Mr. Burns I assumed a corporation with a certain dividend record and I said in effect that would arouse my interest. If upon further checking I found that that stock was in a company which was a number of industries, most of whose members were in receivership during the most recent depression, that would very definitely have some breaking effect on my interest in those shares. But just because one particular company of an industry, whether it is railroads, chemicals, or what not, I would be more interested in the specific business, the management especially of that business than its potential.

Q. And this would cause you to focus your attention more on the other circumstances other than particular earnings at this time than it would to current earnings, would it not?

A. I think especially so in the case of the Southern because of my very general knowledge only of what is known [fol. 230] as what do you call it—the Crescent, the area from Raleigh-Durham on down to Greensboro, Charlotte, Spartanburg, Southern Crescent—which has tremendous potential. I am not speaking of the train but of the area.

So earnings would only be one of many important factors that I would consider in deciding to invest in any issue in railroads.

CARL R. HARRIS testified as follows:

Direct examination.

By Mr. Bryant:

I live in Durham. I am connected with the Erwin Mills, I am Vice President. I have been connected with Erwin Mills for approximately thirty years. I am President of the Durham Chamber of Commerce this year. At the direction

of my Board I have signed an intervention for the Durham Chamber of Commerce in this matter.

I have lived in Durham for thirty years. I think that I am reasonably well familiar with the business and economic and industrial life of Durham as well as the cultural and medical aspects of the community.

In preparation for giving testimony to this Commission I have made an investigation of a number of Durham manufacturers located in or in the vicinity of Durham over the period of 1940, 1950 and 1958. In 1940 there were 96 manufacturers in Durham. In 1950 there were 107. In 1958 there were 124. Projecting that on the average yearly increase that has prevailed over the period from 1940 to 1958 I estimate that in 1965 there will be 138 manufacturers in Durham.

I have made an investigation as to the number of persons employed in these manufacturing plants in Durham. I would like to explain that. This figure that I give only covers those employees who are covered by social security and report to the Social Security Commission. It does not include employees of such as Duke University and several [fol. 231] other large institutions of that kind. For 1940 the number was 19,483. For 1950 it was 24,433, and for 1958 it was 26,414. My estimate for 1965, based on the same rate of growth, is 30,100.

The population of Durham County in 1930 was 67,196; in 1940 it was 80,244; in 1950 it was 101,639; in 1959 it is 118,000. The figure for 1959 is arrived at by a projection upon the same rate of growth as prevailed during the base period. That rate of growth is 2.61% per year. On the same basis the estimate for 1965 would be 136,479.

In the year 1940, for the City and County of Durham combined, there were 35,912 dwelling units; in 1950 there were 46,404; in 1958 there were 53,300. The estimated figure for 1965 is 63,574.

The postal receipts for 1950 amounted to \$777,250. That figure for 1958 was \$1,183,755. These figures were obtained from the Post Office Department. The estimate for 1965, projected on the same rate of growth, is \$1,725,678.

The amount of retail sales for Durham County for 1950 is \$93,579,000. The figure for 1955 is \$111,625,000. The

source of that figure is "Sales Management," which is taken to be a reliable retail sales reporter. Retail sales for Durham County for 1958 amount to \$119,936,000. The projected estimate for 1965 would be \$149,000,000 approximately. That projection is made on the basis of the same rate of growth as the population. I think that that basis of projection is ultra-conservative. There is no question about that.

The total student enrollment for Duke, Carolina, and N. C. State College for 1951 was 13,315. For 1958-1959 it was 14,737. That information is direct from the institutions.

I have information of the development of companies and expansion of companies in the Durham area since 1956. [fol. 232] There are some expansions and some new additions and some new companies entirely. It is just a great variety of different types of companies which have either expanded or located in Durham. The principal and largest that is in the course of coming there is the Chemstrand Corporation Laboratory. The outstanding one which has developed in Durham since 1956 would be Chemstrand. The Home Security Life Insurance Building would be probably the second largest. The cost of that expansion was \$2,000,000. And there are four shopping centers already in operation or close to it in Durham and another being projected at this time, running into quite large expenditure. Liggett & Myers is in the course of adding a multimillion dollar addition to their research laboratory at this time. I have not included in my testimony anything about the Research Triangle.

As to whether there will be any increase in the growth of Durham in the immediate vicinity in the next few years as far as population and industries are concerned, the figures and estimates that I have given here so far are based entirely on past experience. With the advent of Chemstrand and the Research Triangle getting into full swing, it would be very difficult to make anything like an accurate estimate, but certainly I think that we can look forward to many times the rate of growth that we have experienced during the past years, and it will be illogical not to consider that as being the case.

There have been recent bank mergers in Durham, either completed or pending. The Wachovia Bank and Trust Company of Winston-Salem merged with the Fidelity Bank, which, I believe, was in September, 1956. The Security National Bank of Greensboro has merged with the Depositors National Bank of Durham, which was just recently in the last few weeks announced. The Durham Bank & Trust Company has, I believe, to all intents and purposes, merged with the Citizens National Bank of Durham. I un-[fol. 233] derstand that just awaits the approval of the Commission. It has been announced that the First Union National Bank of Charlotte was merging with the Durham Industrial Bank. I am not a member of the Board of Directors of any of these banks. I was on the Durham Bank & Trust Board. As to the reason for these mergers, I think it is quite logical to assume that the banks realize that Durham is in for large growth due to the Research Triangle, and they want to be in position to participate in that growth and what it means bank-wise to a greater degree.

I have an opinion as to whether the discontinuance of Passenger Trains 13 and 16 would affect the public convenience and necessity of the traveling public in Durham. As I have stated before, I think it is certainly logical to assume that Durham and that immediate area, Chapel Hill, as well as Raleigh, should expect, and I think will develop and grow due to the Research Triangle, and bring large numbers of additional residents to this area; and for that one reason, I think it is most inopportune if we should lose passenger service, and a lot of the people, I don't myself, and I am not particularly anxious for my wife and I to fly at the same time, and a lot of people use the train for that reason, and there are a lot of people that do not like to fly, and I think that it is absolutely essential that we have ready transportation for the highly technical people as well as others that come to the area, in the way of train service, plane service, what-have-you, because regardless of weather, they have got to move at times, and it is essential that we have safe service, as well as adequate service, and my opinion, my own personal opinion is that we will soon see adequate patronage for passenger service of all kinds to need the service of not only the airlines but buses and

railroads as well. I consider that today in present conditions in the Durham area that the retention of this passenger service not only serves the convenience of the public [fol. 234] but that it is a necessity. I don't think there is any doubt but that that will be even more true in the immediate years to come.

I believe that probably everything of any importance has been covered by my testimony.

Cross examination.

By Mr. Joyner:

I am Vice President of the Erwin Mills. I do not have any records showing the amount of travel on Trains 13 and 16 by personnel of the Erwin Mills. We could probably get up such records at the company. I'll have to say that there has been very little.

DR. ROBERT E. CUSHMAN testified as follows:

Direct examination.

By Mr. Bryson:

My name is Dean Robert E. Cushman. I live in Durham, N.C. I have been a resident of Durham for 18 years, and I am connected with Duke University as Dean of the Divinity School.

Q. Now, during your residence in Durham and particularly in the University community, have you observed any growth in the University community so far as the number of students, faculty members are concerned?

A. Unquestionably. I would say that other activities at the University such as meetings and institutes and similar activities have multiplied 75% in the last 15 years. I unquestionably anticipate an increase in those activities. The people who participate in these activities usually come from the metropolitan area of New York or from Chicago or from Washington. In some instances, of course, from the more southerly regions, Atlanta and points west. In some

instances from all parts of the country and all parts of the world.

In my work as Dean of the Divinity School and in other capacity I have occasion to do much traveling. These occasions take me all over the United States, mainly in the [fol. 235] eastern half of the United States. Last year I made a very extensive trip on an average of once a month, perhaps twice a month, and such trips took me to New York, Boston, Portland, Me., and as far west as Chicago, Kansas City, Tulsa, Okla., Birmingham, Alabama, Atlanta, and Nashville. I ordinarily use that method or manner of travel which suits me best, in view of the circumstances. I use plane and train. I make use of the Southern passenger service in and out of the City of Durham. I make use of that very frequently.

As to why I use that service, first, I would like to tell you that in 15 years at Duke I have had occasion to travel to New York on professional business, learned societies and other meetings many times a year, and in the course of those 15 years I found it convenient to employ the Southern Railroad, leaving Durham, connecting with Greensboro train and going to New York. I have never flown to New York. I have flown from New York only once in my 15 years. Now, why? Because I often find it necessary to do business reading, preparation for meetings on the train to New York, and oftentimes I cannot get to the matters in hand until I get into my roomette; and then I do some business; and this is one of the reasons, a very good reason, why I prefer to travel by rail whenever I can.

To my personal knowledge members of my staff, my associates make use of this same passenger train facility. Professor Shelton Smith, Director of Graduate Studies, continuously employs the train. For the past two years in working on a two-volume work for Scribner's Publishing Company, he has been constantly traveling to and from New York City. I think Professor Stinespring, Professor Richie, Professor Clark, and others.

I have never thought that the effort of the Southern in regard to advertising or promoting its service in any way [fol. 236] among the faculty members or students was conspicuous, and I may state in reply that I was startled two

years ago to discover that one of my colleagues who had been a member of the faculty for at least half a dozen years did not even know of the service out of Durham to New York via Greensboro.

Q. Dr. Cushman, did you consider the continuation of these trains essential for the public convenience?

A. Well, I think the answer to that question is so obvious that to answer it would be ludicrous.

Q. I apologize for asking it, but I would like for you to answer it.

A. I think unquestionably yes.

JAMES P. REIT testified as follows:

Direct examination.

By Mr. Bryson:

I am a student at Duke University. I am a Junior. My home is in Brooklyn, N. Y. I formerly lived in Cleveland, Ohio.

I am a member of YMI. It is a branch of the YMCA. It makes it a policy of meeting the incoming trains to Durham when school opens in the first of the year. Among the duties of the organization is advising Freshmen during their orientation week, various duties, helping boys out, meeting the train and buses and things like that. Orientation week is the week prior to the opening of school when the first-year students usually come in.

In such capacity I met the incoming Southern Railway passenger trains throughout the whole orientation week. Another student, James Whitmore, was with me at the time. He is in the courtroom this morning. I met the train from Thursday, September 10, through Wednesday, September 16. That is the train that arrives in the Durham station at approximately eight o'clock in the morning.

[fol. 237] Q. What was the first date you indicated you met this train?

A. September 10.

Q. To your knowledge, how many students arrived on that train to enter Duke University?

- A. Well, you mean Freshmen?
 Q. Well, the whole group?
 A. Eighteen students that day.

The next day that any student came in was on Monday, September 14. I was present on that day. On that day, four students arrived. The next day was Tuesday, September 15, and there were eight students that day. On Wednesday, September 16, there were seven students.

To my knowledge the Southern Railway Company has not made any effort to advertise its passenger facilities among the students there on the campus since I have been there. I have never seen anything at all about it. My home is in Brooklyn. When I came to the University this year I used the Southern Railroad, the train we have been talking about. On occasion my mother visits me. Last year, she made three or four trips down here from New York. She used the Southern Railroad train that we are talking about.

Cross examination.

By Mr. Joyner:

I met the train seven days. A total of 37 students got off the train. They were not just Freshmen, they were all students. There are roughly 5,000 students at Duke. There are roughly 5,000 students and 37 arrived by train.

I did not meet the airplane. To my knowledge no one met the airplane. I haven't the slightest idea of how many students arrived by plane. I didn't meet the bus but I believe some of the men in our organization did. I don't know how many came on the bus. I will say we had two people meeting the buses; I am not definitely sure.

[fol. 238] JAMES WHITMORE testified as follows:

Direct examination.

By Mr. Bryson:

I heard Mr. Reit's testimony. My examination and cross-examination would be substantially the same as his.

Cross examination.**By Mr. Joyner:**

I do not know anything about the number of students who arrived by air or by bus. We made no study at all of the airplanes, I am sure. We had two boys with a truck who worked together with the train station and the bus station. They met the train the same time we did. I think there was a bus that came in earlier but they met this train when we were there to help take the luggage and the students that did arrive back to the University. There was one time in the morning for the train station. They did meet the bus every time during the day that a bus arrived that students would be on. As to the number of students that arrived by bus, I couldn't estimate.

C. N. HIBBARD testified as follows:**Direct examination.****By Mr. Brooks:**

I live in Durham, N. C. I have lived in Durham for 72 years. I am engaged in the florist business. My father was in that business in Durham and I succeeded him in the business. The business has been continually operating in Durham for 71 years.

I have occasion to use the train, the Southern Railway train from and to Greensboro and points north. We try to make two trips a year. We use the train to go for buying purposes mostly to the eastern seaboard. We go to Philadelphia, Baltimore and New York and Boston. We use the train because it is the only way, we think, from Durham to New York because if you come down to Raleigh, here, you got to bring a car and somebody go back and you are worried about them at night, about getting back, and I can have my dinner at home, get on the train, get my breakfast on the train and be in New York by 9:00 or 9:30 in the morning, and if I want to I can catch that train back again about 7 o'clock in the evening.

That train brings merchandise to my place of business in Durham. It brings flowers by express. I use the express of the Southern Railway to bring flowers into Durham for my business because that is the only way we can get them in there, through the Southern over there, and it is direct. The use of planes for flowers is not so good. If they get too high, they can get airsick. If the airplanes go too high, the flowers can get airsick. There is no pressurized compartment on the plane. They can get airsick and they will never come back. The Southern at least keeps them from getting train-sick. The flowers come down by express. I can phone to Philadelphia around 2:30 o'clock and they will be in Durham the next morning at 8 o'clock on this train. As to my traveling on the train, I consider that a need and a necessity for my business, in order to carry on my business.

Examination by Commissioner Eller:

Q. Do I understand that if this passenger train is discontinued, you can't get your flowers; they have to come in on this passenger train?

A. That is the only direct route we got today, sir, because the express trucks are not satisfactory; and if they come in over here on the Seaboard, they have got one coming in from Norfolk and that doesn't run on Saturday.

This should be a general trait or characteristic of all florists in the area, that should apply to them all.

Cross examination.

By Mr. Joyner:

As to whether it would be satisfactory to me if the express company delivered my flowers by truck rather than by rail, if they ran six or seven days a week it would be, [fol. 240] but they haven't been doing that. That one, if we get anything like coming from Florida, comes up to Henderson and catches that train which doesn't get into Durham until about one o'clock and it doesn't run on Saturday and doesn't run Sunday..

Q. Yes, but if the flowers came on the Southern Railway train to Greensboro and were taken from Greensboro to Durham by Railway Express truck and got to Durham at the same time as the train now arrives in Durham, that would be satisfactory to you?

A. But it hasn't been doing that.

Q. But if that were done, that would be satisfactory, would it not?

A. Well, now, I don't think, it is not as fast. We haven't found anything with the truck—it hasn't been satisfactory to us, not the express by truck.

MRS. MARY BIDDLE TRENT SEMANS (recalled):

Redirect examination.

By Mr. Brooks:

I have an opinion as to what should be done to improve the rail service for these trains involved in Durham. I have some very strong opinions. Actually I believe the specific question was directed to Mr. Hill this way: Did he think it justifiable to do anything about the railroad depot in Durham? In other words, the ticket agent, would it be justifiable to employ someone else. Well, my answer is this way. I think that this, first of all, is indivisible from the overall problem of service. I do have some specific things that could be taken into consideration. I would not demand another person there without some other things being tried. I believe in being fair. I would have a telephone listing in the telephone book similar to the one by the Seaboard train, showing the Greensboro number. This is basic, I think. I would not only do that, but I might even try a modern business method of reversing charges on those calls. This is done by a good many branch businesses [fol. 241] that have offices in outlying sections of the community, or in branch stores in neighboring communities. That would be after-hour calls, and you could list the house that these could be used. I would make arrangements with the Railway Express Company and perhaps have someone

there to take calls. I have personally just through my own friendship with some of the people there, established a method of getting information this way, but this is not known by the general public. In fact, I have tried to help the railroad out. I have tried to disseminate some of this information in Durham. Of course, you can't reach potential passengers that way. I would try an answering service.

As to whether there are enough potential customers to greatly increase the passengers if the Southern lets the people know the train is running, one of the first tenets of modern business and modern business methods is to keep a telephone covered. I know this. I think that definitely it would be justifiable to attempt all sorts of promotional schemes that have never been tried. After all, it has been established in the 20th Century that advertising is one of the main means of acquiring business; and in good times, there is no excuse for any business not to be promoted this way; and I feel very definitely that the situation with regard to the passenger service in Durham is such that there are potential users.

Now, for instance, yesterday I was asked if it were not true that the Seaboard office handled a lot of trips to Florida. This is certainly true, but they also handle and promote trips to the north, and I am certain that this is why they employ certain numbers of their five people in their office when there are no potential trains into Durham. They employ all of these people and they actively promote their northern route. Just last week I had a postcard showing their Washington Dome Train, in the mail and I have [fol. 242] been told personally by the lady in the ticket office there, "We want passengers. We are anxious for passengers." And I know of my own personal knowledge that many of my friends use that train. It is convenient and the office is open, and there is another train number that you can call after hours. They also solicit business from the city schools and all of the school trips that I know of personally that go to Washington for the school children and New York to advise the various places to go by way of the Seaboard line. They go up there for journalism trips, etc., and they crowd in the station so that you can hardly get to

the train. That is the Seaboard line, and this could all go from Durham if the promotional work were done.

May I say one other thing? I just feel this way. As I stated before, I realize that the railroads have a problem and I have made a definite study of this matter. It may seem strange but I am really interested and I personally have written my Congressman without any request from the railroad, many times, to help the railroads in these legislative matters. I will continue to do it. I am that interested, but I do think that this is not striking the heart of the matter. I think the Canadian Railways, by the fact that they carried it all the way to the higher courts on the featherbedding situation and got an agreement whereby they only have to carry firemen on steam powered locomotives, for instance, is a challenge to the United States railroads to go ahead and do something about the heart of the matter and not to try to take our passenger service away, which I think is absolutely necessary and will continue to be.

DR. H. T. PARKER testified as follows:

Direct examination.

By Mr. Burns:

I am with the faculty of Duke University. I am in the Department of History. I have been on the faculty of Duke [fol. 243] for twenty years. I make about five trips a year to and from Durham for business or personal reasons. Usually they are professional trips. I mean I attend the American Historical Association that usually meets in Washington, New York, two or three years, and there is another society of French Historical Studies that meets in the Cleyland-New York area. I investigate at Swarthmore and Oberlin. That was for the University.

In the past year I attended the American Historical Association which met in Washington. It meets in Washington or New York two out of three years. The Society of French Historical Studies which meets in the northern area every

year. Occasionally I serve as outside examiner at Swarthmore, or I may be on business for the University to examine other institutions. It so happens I go to Europe every summer for research. In making all of these trips that I have described I used the Southern Railway train out of Durham. I use the Southern Railway facilities for making these trips chiefly by reason of convenience. One can work all day and then take the train at night and then arrive and continue working the next day. I use the facilities of the train because they are convenient.

I use the facilities of the train as a place in which to study in preparation for meetings which I may attend at these far distant places when I am crowded, when I am thronged, when I am busy. I work until 10 or 11 o'clock at night. I did that twice this last year. I worked on the train. I would say that the continuation of these trains is certainly essential to my convenience as a member of the traveling public. As to whether I actually need these trains, one would resort to makeshift. One can't walk out of Durham.

To my knowledge there are no other facilities which would be as useful for the purposes as these two trains. [fol 244] During the twenty years that I have been associated with Duke, I have not seen any advertising or promotion of the Southern as far as its passenger traffic other than the promotion at the station. I think that it is correct that I have not received any sort of literature brochures or advertisements or anything like that.

Cross examination.

By Mr. Joyner:

I do not know the air schedules to Washington and New York. I do not know how long it takes airplanes to fly to Washington and New York from Raleigh-Durham. To Washington, perhaps three or four hours. I fly to Europe every year.

At this point, without objection, the following language of the Lease from the North Carolina Railroad Company dated August 16, 1895, to the Southern Railway Company was introduced by Mr. Brooks, on behalf of the protestants, ". . . shall have leave to change any shops, tracks, houses and other things in such way as to promote the convenience of shipments of freight, travel and the safety of the road and property . . ."

STIPULATION READ INTO RECORD

The following stipulation, agreed on by the attorneys for the petitioner and the attorneys for the protestants, was read into the record by Mr. Burns:

"The North Carolina Utilities Commission in granting freight rate increases to all railroads operating in North Carolina, in the following cases, considered as a factor the passenger operating deficits of such railroads. Docket No. R-53, Sub 3, dated June 21, 1957. R-66, Sub 6, dated March 14, 1958. R-66, Sub 9, March 14, 1958. R-66, Sub 20, June 20, 1958."

It was further stipulated by the attorneys for all parties that the Railway Express Company does not have present truck authority to serve Elon College, North Carolina. [fol. 245] The copy, consisting of five pages, of the reports appearing in the Traffic Department of the Utilities Commission, showing the railroad passenger station ratings for September, 1959, and the individual reports on the passenger stations at Durham and Burlington were identified as Exhibit G.

[fol. 246] PARKS M. Low testified as follows:

Direct examination.

By Mr. Burns:

I am in this case appearing at Mr. Burns' request. All of the computations which I have made were pursuant to Mr. Burns' request.

My name is Parks M. Low. I am a rate specialist, North Carolina Utilities Commission, Raleigh, N.C. During the period June, 1925, to April, 1947, I was employed by the Atlantic Coast Line Railroad Company in its Freight Traffic Department. From April, 1947, to August, 1950, I was assigned to the Staff of the Vice President, Traffic. Since August, 1950, I have been employed in the Traffic Department of the North Carolina Utilities Commission.

I am familiar with the forms used by railroads in reporting passengers handled on the various trains. While employed with the Coast Line, I made branch line surveys in the course of which the handling of passengers was involved. I am familiar with the issue involved in this proceeding.

I have made a study of the passengers handled on Trains 13 and 16 of the Southern Railway. I have examined the conductors' wire reports of Trains Nos. 13 and 16 of the Southern Railway operating between Greensboro and Goldsboro, and have prepared a statement consisting of four sheets which I tender as Exhibit No. H.

Exhibit No. H (identified).

Page 2 shows passengers handled on Train 13 operating from Goldsboro to Greensboro, by month, and for the twelve-months period. The passengers riding in coaches and Pullmans, as well as the revenue and dead-head passengers shown separately. Sheet 3 shows the same information for train 16 operating from Greensboro to Goldsboro. Sheet 4 shows the passengers handled on both trains, or the figures of Sheets 2 and 3 added together. It will be noted that 33% of the total passengers handled rode in Pullmans and 8.4% were dead-heads.

The figures in Exhibit H were compiled from the original wire forms furnished by the Southern Railway Company. I have made computations from the forms as to the number of times these trains were late in arriving at Goldsboro. Train 16 was late 172 times during the 12-month period. On 91 occasions it was less than 30 minutes late, 52 it was late between 30 minutes and an hour and on 24 occasions it was between 1 and 2 hours late and on

4 occasions it was more than 2 hours late. Train 13 was late only 8 times, seven times less than 30 minutes and one time it was late as much as 50 minutes.

On page 2 of my Exhibit I show 5 days missing in the months of January, February and April, 1959, on train 13. I have compared my figures for those months with the figures shown in Mr. Gleason's Exhibit No. 4 which shows Pullman and coach passengers during these months. For the month of January, Mr. Gleason showed 24 more Pullman passengers and 312 or more coach passengers. For February, he showed 25 more Pullman passengers and 10 more coach passengers. For April he showed 30 more Pullman passengers and 27 more coach passengers, or a total of 448 passengers during those three months more than I have compiled from the conductors' reports. On page 4 of my Exhibit if I added the figures that Mr. Gleason showed which I did not find in my examination of the conductors' wire reports, the total would be 18,167 passengers or an average of 49.8 passengers a day.

I have made an analysis of State's Exhibits A through F and have made certain totals based on the information [fol. 248] in these exhibits for the period July 1 through September 15, 1959, for trains 13 and 16. I found that of the 2,757 passengers shown as moving on these trains, 1,393 or 50.5% moved beyond Greensboro, and the total revenues for those, the revenues accrued to the Line, was \$3,940.00. The off-line revenue was \$14,871.00, or a total of \$18,811.00. The on-line revenue was 20.9% of the total and the off-line revenue was 79.1% of the total. According to these figures, you could say that for each dollar of revenue derived from traffic on the line traveled by trains 13 and 16 the Southern Railway on the average would receive \$4.00 in off-line revenue.

67.5% of the passengers that went on the Southern Railway line moved beyond the rails of the Southern Railway, moved on other lines such as the Pennsylvania, the L&N and other lines. That is, 67% of the 50% that went beyond Greensboro went on lines other than the Southern.

Further Direct examination.**By Mr. Bryant:**

The net income after fixed charges and other deductions of the Southern Railway Company as shown in the annual reports on file with the Utilities Commission is as follows for 1955—\$37,993,249; for 1956—\$38,871,606; and for 1957—\$34,066,710.

Cross examination.**By Mr. Dixon:**

All of my experience with the Coastline was in the Traffic Department. My testimony and the exhibit are based on the Southern's conductor wire reports. The making of those reports is an operating department function. I have had previous experience in evaluating such reports. The operating department of the Coastline furnishes the traffic department with copies of these reports every day on all their trains. They are furnished and come into the Traffic Department every day. And then too, in making [fol. 249] branch line survey on the Coastline I came into contact with those reports with the Operating Department. In addition to showing the number of revenue and dead-head passengers handled, these reports show the locomotive number, the date, the time it left Greensboro and the number of minutes late it was arriving in or at the other junction point. The report is Form 604.

I don't know what the main purposes of those reports are. With the Coastline, we were mainly determining the number of dead-heads riding on the train. In the Traffic Department that information was used for getting the number of dead-heads who were riding on the train. That was the Traffic Department's use. This is an Operating Department report. I would have to speculate as to whether the main purpose of the reports would be to get advance notice of delays to these trains. I do not know exactly. I have no reason to doubt that that is the main purpose.

I heard Mr. Gleason's testimony that his Exhibit No. 4 which shows the on-and-off count during the period cov-

ered by the exhibit was based on the tickets reported to the Auditor of Passenger Accounts at Atlanta. I would hesitate to say whether the Operating Department report on Form 604 or an analysis of the actual tickets sent by the train conductor to the Auditing Office in Atlanta would be more accurate because I have never had any experience as to the accuracy of the conductors on the Southern.

As to dead-head passengers the report does not show how many were foreign line employees as distinguished from Southern Railway employees. It merely shows the pass passengers. It does not show how many of the passengers were traveling on company business, how many on their own business, or how many on pleasure. When I stated that train 16 was late 172 times and so forth I was speaking of the arrival at Goldsboro. That is the end of the [fol: 250] run. And when I referred to train 13 being late only 8 times that was at Greensboro. So far as these reports show both trains were on time at Durham and Raleigh. They did show that they were late leaving Greensboro on a number of occasions because of connections. Whether No. 13 missed No. 38 on any of the 8 times it was late at Greensboro is not shown on the reports.

I made an analysis of Exhibits A through F at Mr. Burns' request. I can't tell what portion of passengers were west of Mebane. I am afraid I don't know whether the railroad would have a good chance of being able to retain that traffic on the main line out of Greensboro. I wouldn't have any facts on which to base such opinion. I don't have them. I would respect Mr. Beck's knowledge. He knows more about it than I do.

Mrs. LUCILLE BLAKE testified:

Direct examination.

By Mr. Bryson:

I live in New York City at 131 East 66th Street. I came to Raleigh a few minutes ago from Durham. I was in Durham for my usual check up with Dr. Walter Kempner at Duke Hospital. I am here for medical treatment and check

up with Dr. Kempner. I will have been a patient of Dr. Kempner's for 11 years next month, November 15th. During all of that time I have made periodic visits backwards and forwards from New York to Durham, and I spend a great deal of time at Durham now. I have always used the Pullman on the Southern Railway train that comes from New York direct to Durham. When I first came, I was so ill I couldn't come any other way and then Dr. Kempner advised me to use the train because of my various conditions, that he thought I should not subject myself to planes. I have been using the service 11 years next month. I just came down on it Monday.

[fol. 251] **MRS. BERNICE KRASNE** testified:

Direct examination.

By Mr. Bryson:

I live in New York City. I came over here from Durham with Mrs. Blake. I came to Durham on Wednesday morning. I came for a Trustee Meeting of the Walter Kempner Foundation.

I am a patient. I have been under Dr. Kempner's care for 12 years. During that 12 years and even up until now I make trips to Durham two or three times a year. I use only the railroad in making those trips, the Southern Railroad from New York City to Durham. I use the New York car that comes into the Durham station. I make the trips upon the advice of my physician. At the beginning I was too ill to travel any other way, and he advised my using the train; and I do not care for air transportation. I still use only the Southern Railway.

Cross examination.

By Mr. Joyner:

Mrs. Blake and I drove over from Durham to Raleigh today.

Redirect examination.**By Mr. Bryson:**

As to whether the elimination of this passenger service would be a hardship on myself and others similarly situated, I think it would be a tremendous hardship. I know of many patients who have come here from New York who are not too well and who are not able to make the trip by bus, are not well enough to fly. They have heart conditions, and they are apprehensive about flying; and I think that if they came on to any nearby city such as Raleigh or wherever else the train might stop, I think the trip in itself would be too much for them. It is enough that they have to make the trip by train, but to take two trains or take a train and a bus, it would be difficult for them. I know of patients who have come down practically on stretchers, and I think it is a wonderful thing that they are able to come right into the town. I think it would be a dreadful thing for [fol. 252] them to go to a town half a day away and make an additional trip by ambulance. When they get into the Durham station, it is only a few minutes by taxi or ambulance to the hospital.

DR. T. E. POWELL testified:**Direct examination.****By Mr. Burns:**

I live at Elon College. We operate a biological supply business. The easiest way to tell what my business is would be this. Originally I taught biology and that was prior to 1927, and we had so much trouble securing the materials that we used in the laboratories, dissecting specimens and others items we use to teach the lab work, until I hit on the plan during the depression that it would be an ideal thing for me to leave teaching and go out and offer these services to other colleges and universities throughout America, and I have just sacrificed my teaching ability for that purpose and that is what we did.

Our aim and our business is to sell virtually everything that can be used or is used in a biological laboratory. There are occasionally a few items no one can furnish, but the ordinary active items that are used in State College or anywhere they teach biology, we set ourselves up to supply those things and when they want them.

Our customers are teachers wherever you find biology taught in the United States, but the big customers that we have, the biggest, the largest university you can think of, Harvard University, Yale University, Purdue University, University of Illinois, University of Cincinnati, both of the California Universities, four or five of them, one at Davis, Berkeley, Los Angeles, and maybe one or two. All those are our customers; wherever you find the big colleges, the big universities and even the high schools. Not only do we find them in the colleges and universities, but we go into [fol. 253] hospitals and nursing homes. I mean not homes but where they teach nursing.

When we went into business, I think Elon College had, I may be in error, but I know they did when I first went up there, they had five trains each way each day. If you missed one at 9 o'clock, you can go there at 10 o'clock. You can get another one. Five trains each way each day, so we can get our materials scattered all over the country. I know it was that way in 1915 and by 1927 when we started business they may have reduced it some, but we have to have transportation in order to get these things out.

I am concerned with the express. We receive express shipments from all over the country. Our main concern here is not a thing we ship is a staple item. You could send it by freight or something else if they were things like a horseshoe or microscope or something like that. But what we are concerned with are living items, items that if they suffer a delay die; and when they die, our customers write and tell us that they are dead and we receive a credit memorandum and we have to make up the loss, and it is building up all the time. If we don't have a way to get it, we don't know what we are going to do.

As to whether there is anything else we could use, any sort of air express, I will say yes and no. There are two answers to that question. The answer is this. The nearest air express to us is up there near Greensboro, nearly half-

way between Greensboro and Winston-Salem. It is a long ways out there to go there. But now just suppose we got there and put our animals on that express. What is going to happen when he gets to where he is going to? The university, you take a place like Chapel Hill over here. We ship a lot of things to Chapel Hill where we would ship it to Chapel Hill. They wouldn't necessarily go over to [fol. 254] the airport to pick it up. They don't have those facilities, so even if we got it there, the receiving station wouldn't have the facilities to pick it up, so we are washed out on that. In other words, I do not think that air would now be satisfactory for my purpose. As to postal deliveries, we do some; but the Federal regulations bar from the U. S. mail a great number of these animals which we ship, and express is the only way in which they can be shipped.

The total express charges paid by me in incoming and outgoing freight from June 1, 1958- to June 1, 1959 amounted to \$13,463.14. These figures do not include, though, the express prepaid by our vendors. The people we buy from add it on the bill. These figures are taken from the express bills which we have in our possession. That is the amount we actually paid. The great amount of our shipments are made in such a way that the receiver will pay the express charges on the shipment. I can't give you the dollar and cents figure of this type of shipment because they are not available to us. They are shipped out, and the customer pays it. The only thing we can do and guess how much they are going to pay, but we can give you some facts. We shipped 2,130 such shipments during that time; and in those shipments were 4,009 pieces which weighed 83,641 pounds. During the period from June 1st up to September 30th of this year we paid \$5,231.37 in actual money for express on a declared valuation of \$122,601.75; but these figures do not include again the express charges prepaid by our vendors who send us things and bill them on there. These are the figures we have paid out. The figures do not include the shipments which we send out c.o.d. The shipments that went in the same length of time to customers and the time to have paid for that many was 595 shipments have 1,243 pieces weighing 26,725 pounds gross weight.

If there is no express service where we are now, we could not operate the business as we have it now. There [fol. 255] might be some pieces of it you could run, but these pieces are dependent upon the whole, the whole thing is a unit. It is like the cow. You can't take off one part and the other part is going to live. Without it we have to dry up, waste away and go somewhere else. Without the express service I would have to do something, go back to teaching I guess.

Cross examination.

By Mr. Dixon:

We ship just about everything that is used in biology. We start off with microscopic forms, the free living protozoa. We have got maybe three or four, amoebae, paramecium, etc. I could say microscopic organisms. Maybe we should break it up a little bit. We have the free living types which is used in the laboratory, and then we have the bacteriological type, the pathological and the non-pathogens. We ship those all over the country, and you can't draw a line on it. In fact, Carolina Biological Supply Company is the first company on these cultures selling them over the United States. We sell mice and rats and there again, a little mouse put in a box, the mouse is worth maybe 60¢ and the minimum charge on that thing by express is about \$2.60 to go to Greensboro.

We ship them anywhere and everywhere they want them. They move across the country in rail service. That is the only way they can go. I cannot ship them by parcel post. The U.S. mail won't accept them. I don't ship them by air express. The thing has got to be there. The trouble with air on most of our things that if you get them so high that the pressure kills them off and the cool temperatures and it wouldn't go from here to Elon College. It would be dead when it comes there because the vacuum effect up there kills them off.

I understand that the proposal here is to discontinue trains 13 and 16 on to Greensboro.

Q. And the evidence shows that the Railway Express [fol. 256] Agency also has a truck route between Goldsboro

and Greensboro which serves Greensboro, Durham, Raleigh, and, I believe, Selma. Now, supposing the Railway Express Agency extended that truck route to also serve Elon College. That would mean that the truck route would come and take up your stuff just as it does and instead of taking it to the depot at Elon College and putting it on the train, it would take it to Greensboro and put it on the train; would that satisfy your needs?

A. No, sir.

Q. Why?

A. To start off with, you have to put about three trucks on. You don't do it with one. On Saturdays and Fridays we have more shipments from our one place than any one truck they have got or can put on the highway that the State laws will allow them to run. We will more than fill it, and we can't tell when those things are going to come. Maybe one day they got two trucks and the next day they got a fourth of a truck. That is the sort of thing the way they got it. Our material has to go. If we are going to stay and maintain the service that we have the reputation. If we maintain our reputation, we got to put the material there; and at Harvard University they got a class Monday morning, if the material is not there and once you are bawled out by Harvard, you are bawled out and you know it.

Suppose there comes a snow on Friday and your man don't run the highway on Friday and we are depending on that truck to get that stuff going and then Monday morning we get this little letter from Harvard, where is our material?

If the service by truck would be equal or superior to that by rail in point of time, that would satisfy my needs if you would guarantee us that the weather won't stop those trucks and they would run all the time.

[fol. 257] I have discussed this matter with the Railway Express Agency. Not specifically this thing, but I have gone along. In other words, when they cut off the first train back yonder several years ago, various ones come down and trade with us, if you folks won't protest we will do this and so, and then they come along and take off another. We still got one train going both ways. You folks won't be hurt. When they come to get this last one,

I haven't discussed a single one. This was the last. If this goes, there is nothing left.

Redirect examination.

By Mr. Burns:

The States to which I send the greatest number of my shipments are as follows: 10.2% of our sales go to New York; 6.21% of our sales go to Pennsylvania; 6.07% of our sales go to Ohio; 5.58% of our sales go to New Jersey; 5.06% of our sales go to Texas; 4.73% to California, and 4.06% to Illinois.

Recross examination.

By Mr. Dixon:

Q. I say on one day would you have consignments going to a dozen schools?

A. This is like a stream that runs. You couldn't ship it in one day. This is round the clock. We are talking about yearly sales. This is a quarterly sales.

Q. Does Railway Express Agency have a truck that comes to your place of business and carries it to the depot?

A. Oh, yes. Railway Express, they pick it up in Burlington. We have pick-up and delivery service. I have no complaint on that pick-up and delivery service from Burlington for both railroad freight and express, and some of my best friends, one of them sitting over yonder, is in the Southern Railway. We have nothing personal against them, but they are cutting off our livelihood.

Q. The Express Agency has no difficulty handling your express shipments?

A. Like it is now.

Q. Its trucks from your place of business to the depot at Elon College?

[fol. 258] A. Not too much. Once in a while the driver goes some place else and we have to call them, but most part—

Q. This is what puzzles me. Apparently they have no trouble handling your stuff from your place of business

to the depot at Elon College in a truck, but you say they couldn't handle it to Greensboro in a truck.

A. I wouldn't have the confidence in it. When you step it down, when you diminish, dilute it, it gets weaker and weaker and weaker, and when you take it away, the way I see it is this. You have got a railroad train that things is held to a schedule, and that truck can run into a ditch. It can run anywhere. It is not held to a schedule, and we don't know. We can't tell our customers when that truck is going to run. We can look at the timetable and figure the railroad. We don't figure that sleet, snow and stuff like that is going to interfere and disturb it. We have to call Harvard three months in advance. If on the first day of January we are supposed to get 40 living turtles up there to Harvard, they have got to go by express. If they are going to go over sleety roads and snow, can we guarantee that we are going to deliver them? Right now we can. But then we don't know.

Examination.

By Commissioner Noah:

The majority of my shipments go west towards Greensboro. Some go the other way towards Raleigh or Durham. To the most part State College and Chapel Hill, but the majority of these things, I think, the Express Company can tell you more about how they get them when they get them to Durham. That would be a matter of at most the main line going north and south on the Southern from Greensboro to New Orleans way, and up New York way, but I suppose when they get down here, if they got away down this way, they would send it down this way.

All these shipments are picked up by Railway Express trucks at Elon College. That local truck works out of [fol. 259] Burlington. It comes from Burlington over to Elon College, picks up the merchandise and carries it back to Burlington and processes it there.

Exhibits A through H admitted in evidence.

Exhibits A-1 through G-1 admitted in evidence.

Mr. Burns: Are all the other exhibits received in evidence?

Chairman Westcott: To make certain that none has been omitted, all exhibits identified by the petitioner and all exhibits identified by the intervenors and protestants are received in evidence.

[fol. 260]

BEFORE THE INTERSTATE COMMERCE COMMISSION

Docket No. Finance 21563

In the Matter of:

SOUTHERN RAILWAY COMPANY,

Trains 13 and 16

Greensboro, N. C. to Goldsboro, N. C.

Transcript of Hearing—Tuesday, July 11, 1961

Met, pursuant to notice, at 9:30 a.m.

Before: William J. Gibbons, Examiner, Interstate Commerce Commission.

APPEARANCES:

Earl E. Eisenhart, P. O. Box 1808, Washington, D. C., appearing for the applicant.

Arthur J. Dixon, P. O. Box 1808, Washington, D. C., appearing for the applicant.

Claude V. Jones, 111 Coreoran Street, Durham, N. C., appearing for the City of Durham, N. C., protestant.

F. Kent Burns, P. O. Box 991, Raleigh, N. C., appearing for State of North Carolina and North Carolina Utilities Commission, protestant.

Victor S. Bryant, Box 666, Durham, N. C., appearing for Durham Chamber of Commerce, American Tobacco Company and Research Triangle Institute, protestants.

[fol. 261] E. C. Bryson, Duke University, Durham, North Carolina, appearing for Duke University, protestant.

E. C. Brooks, Jr., Durham, N. C., appearing for Durham Merchants Association and Mrs. Mary Trent Semans, protestants.

A. H. Graham, Jr., c/o Reade, Fuller, Newson & Graham, Durham, N. C., appearing for County of Durham, Liggett & Myers Tobacco Co., and Erwin Mills, Inc., protestants.

Robert B. Holton, 5401 Wrightsville Avenue, Wilmington, N. C., appearing for Railway Labor Executives Ass'c. and Brotherhood of Railroad Trainmen, protestants.

W. J. Burton, Jr., 818 Third Street, Spencer, N. C., appearing for Brotherhood of Railway Clerks and Railroad Labor Executives Association, protestants.

R. L. Carnes, 549 Oak Street, Hamlet, N. C., appearing for Brotherhood of Locomotive, Firemen and Enginemen, and Railway Labor Executive Association, protestants.

[fol. 262]

Proceedings.

Exam. Gibbons: The hearing will come to order. The Interstate Commerce Commission has set for hearing at this time and place an application of the Southern Railway Company, in Finance Docket 21563, under Section 13a(2) of the Interstate Commerce Act for permission to discontinue the operation of trains Nos. 13 and 16 between Greensboro and Goldsboro, North Carolina. The matter has been assigned to a Hearing Examiner for hearing and for the recommendation of a report and order.

May we have the appearances for the record, beginning to the left?

Mr. Eisenhart: Earl E. Eisenhart and Arthur J. Dixon, appearing for the petitioner, Southern Railway Company. Our address is P. O. Box 1808, Washington 13, D. C. We have been admitted to practice before the Commission.

Mr. Jones: Claude V. Jones, appearing for the City of Durham, a municipal corporation, Durham County, North Carolina, appearing for the City in its behalf as a protestant against the granting of the application filed.

Mr. Burns: My name is F. Kent Burns, assistant Attorney General for the state of North Carolina. I appear for the state of North Carolina and for the North Carolina Utilities Commission, protestants; and I am permitted to practice before the Commission.

[fol. 263] Mr. Bryant: May it please Your Honor, my name is Victor S. Bryant, P. O. Box 666, Durham, North Carolina; appearing for the protestants, Durham Chamber of Commerce, The American Tobacco Company, and Research Triangle Institute. I have been admitted to practice before the Interstate Commerce Commission.

Mr. Bryson: Your Honor, please, my name is E. C. Bryson, 312 Law School Building, Duke University, Durham, North Carolina. I appear on the behalf of the protestant, Duke University.

Mr. Brooks: If your Honor please, this is E. C. Brooks, Jr. I appear for the Durham Merchants Association and Mrs. Mary Lunt Semans, protestants.

Mr. Graham: It please, sir, my name is A. H. Graham, Jr. My address is P. O. Box 2088, Durham, North Carolina. I appear for the protestants, County of Durham, Liggett & Myers Tobacco Company, and Erwin Mills, Inc.

Mr. Holton: My name is Robert B. Holton, 5401 Wrightsville Avenue, Wilmington, N. C. I appear on behalf of the Railway Labor Executives Association and Brotherhood of Railroad Trainmen, protestants.

Mr. Burton: My name is W. J. Burton, Jr., 818 Third St., Spencer, North Carolina. I appear on behalf of the Railroad Labor Executives Association and the Brotherhood of Railway Clerks, protestants.

[fol. 264] Mr. Carnes: Your Honor, my name is R. L. Carnes, 549 Oak Street, Hamlet, North Carolina, appearing for the Railway Labor Executive Association and the Brotherhood of Locomotive Firemen and Enginemen, protestants.

Exam. Gibbons: Are there any further appearances?

(No response.)

Exam. Gibbons: Let the records show that there are none. Do any of the parties care to make a statement at this time?

Mr. Dixon: Well, sir, I don't think there is very much to be said, in the way of an opening statement. We proceeded before the North Carolina Utilities Commission sometime back for authority to discontinue these trains, and our petition was denied with one dissenting vote. We appealed to the Superior Court of Wake County, here in Raleigh, where the decision of the Utilities Commission was affirmed, and we then went to the Supreme Court of North Carolina, where the decision of the court below was affirmed by divided vote, three judges for and three against, one not sitting. So then, believing that we had a just cause—

Mr. Jones: May I correct that statement? It was a unanimous decision.

Mr. Dixon: I am corrected, sir. I must be thinking of another case. Anyway, believing that we had a just cause, we proceeded before the ICC under Section 13a(2).

[fol. 265] Exam. Gibbons: Do any of the protestants care to make a statement at this time?

MOTIONS TO DISMISS AND COLLOQUY THEREON

Mr. Bryant: We have a motion which I desire to present to Your Honor at this time, and with your permission I will present the original of it to the bench.

Omitting if you will, please, the title, the motion is as follows:

"Now come the State of North Carolina, the North Carolina Utilities Commission, the City of Durham, the County of Durham, Duke University, Research Triangle Institute, The Durham Chamber of Commerce, Erwin Mills, Inc., Liggett & Myers Tobacco Company, The American Tobacco Company, Sperry Rand Corporation, Wright Machinery Company Division, and Mrs. Mary Trent Semans by and through their attorneys and respectfully move that the Commission dismiss the above-entitled proceeding and in support thereof show to the Commission that:

1.

The matter of public convenience and necessity for the continuation of these trains has been heretofore determined by a court of competent jurisdiction to wit, the North Carolina Supreme Court, 254 N.C. 73, opinion dated February 3, 1961, and such determination as of the time it was made is conclusive and binding on all parties in the present proceeding, for that said determination is *res adjudicata*, [fol. 266] as is shown in the record attached to the petition.

2.

The only matter for determination by the Commission in this proceeding is whether or not there has been such a change of conditions since the determination by the North Carolina Supreme Court as would warrant a finding that public convenience and necessity no longer requires the continued operation of Southern Railway Trains 13 and 16.

3.

The petitioner, Southern Railway Company, has not alleged a change of conditions since the judicial determination of the question of public convenience and necessity and, therefore, this proceeding must be dismissed.

Wherefore, your protestants respectfully pray that this proceeding be dismissed."

And that is submitted and signed by the Counsel for the parties.

I take it, if Your Honor please, there is no controversy of the fact, as stated by Mr. Dixon, that this matter has been heard by the Utilities Commission and the State of North Carolina, which ruled that these trains were matters of public convenience and necessity and should not be discontinued. It is also admitted, as I understand it, that the matter was then heard on appeal by the Superior Court of the State of North Carolina, where the decision of the [fol. 267] Utilities Commission was affirmed. It further admitted that the case was then appealed from the Superior Court of North Carolina to the Supreme Court of North Carolina, at which time the opinion of the Superior Court

was affirmed, as shown by 254 N.C., Page 73, by the unanimous decision.

Now, if Your Honor please, I assume that there is no controversy about the fact that the operations of these two trains, Nos. 13 and 16, is entirely an intra state operation, going from Greensboro in North Carolina almost in an East-West direction through the Central Piedmont area of North Carolina, to the eastern terminus of the route to Goldsboro, North Carolina, being a purely intra-state operation. If Your Honor please, we submit the plea of res adjudicata, and we think in the absence of any allegation that there has been any material change in the conditions which would warrant a review of this matter, we think that it should not be heard in view of that lack of allegation, and if indeed there had been such allegation, we think that it would have to be confirmed to the period after the third day of February, 1961, when the decision of the Supreme Court of North Carolina was rendered.

Exam. Gibbons: Is it your position that the Interstate Commerce Commission has no jurisdiction to hear this case unless there has been a showing or an allegation of changed conditions since the Supreme Court decision in February, 1961?

[fol. 268] Mr. Bryant: That is our position, sir.

Exam. Gibbons: Any further comments with respect to the motion to dismiss?

Mr. Dixon: Well, sir, actually I don't believe any comments are necessary, except to say that our petition is drawn in line with provisions of Section 13a(2). This matter is not res adjudicata; it raises federal issues which were not before the State Commission or the State Courts.

Exam. Gibbons: At this point I want to make the remark that the proceedings to which you have referred; specifically, the proceedings before the North Carolina State Public Utilities Commission, all of the court actions subsequent thereto, which affirm the Commission's action, all of those matters are a part of the record in this case.

Mr. Bryant: We had so understood.

Exam. Gibbons: Including the transcript before the North Carolina State Public Utilities Commission and all

exhibits, all matters attached thereto, have become a part of the official record.

Mr. Bryant: We had so understood, and it was our view, sir, that the reference to those proceedings, including the record and exhibits, would bear out and confirm the position which we have taken as to this matter being res adjudicata.

Exam. Gibbons: We will proceed with the hearing. The [fol. 269] motion to dismiss will be taken under advisement and will be considered at a later date.

Mr. Burns: Mr. Examiner, we also have two other motions which we would like to make at the outset. They will both be short.

Exam. Gibbons: Do you have them in written form?

Mr. Burns: Yes, sir. We do. We are missing a signature on one. If you will give us a second to get it signed—

Now, Mr. Examiner, we would like for the first motion to point out what we believe to be a fatal defect both in the proceeding and the petition as far as notices are concerned, and I would like to read those two motions:

"Now come the State of North Carolina, the North Carolina Utilities Commission, the City of Durham, the County of Durham, Duke University, Research Triangle Institute, the Durham Chamber of Commerce, Erwin Mills, Inc., Liggett & Myers Tobacco Company, The American Tobacco Company, Sperry Rand Corporation, Wright Machinery Company Division, and Mrs. Mary Trent Semans by and through their attorneys and respectfully move that the above-entitled proceeding be dismissed and in support thereof show to the Commission that:

1.

Part 43 of the General Rules and Regulations covering proposed discontinuance or change of operation or service of trains and ferries by carriers subject to Part 1 of the [fol. 270] Interstate Commerce Act and in particular Section 43.5 (j) (49 Code Fed. Regs. § 43.5 (j)) require that notice of the proposed discontinuance be posted in a conspicuous place in each station depot and each passenger

car and further the fact of posting such notice be alleged in the petition under Section 13a(2).

2.

Southern Railway Company in its petition has not alleged the posting of notice of discontinuance as required by the Rules of the Commission.

3.

Southern Railway Company has not in fact posted notice as required by the Rules of the Commission.

Now, therefore, the protestants pray that this proceeding be dismissed."

And it is signed by the Attorneys for the various parties, and we consider this a fatal defect appearing in the petition. We could not make the allegation that the notice had been not in fact posted, until we made a check yesterday, to make sure that it had not in fact been posted, as required by the rules. Such a check was made and we can make the allegation that no such notice has been posted, much less that an allegation has been made about notice as required by the rules of the Commission. I think that's a fatal defect.

Exam. Gibbons: Are you going to present your other motion [fol. 271] at this time?

Mr. Burns: Yes, sir.

This has to do with the constitutionality of Section 13a (2):

"Now come the State of North Carolina, the North Carolina Utilities Commission, the City of Durham, the County of Durham, Duke University, Research Triangle Institute, the Durham Chamber of Commerce, Erwin Mills, Inc., Liggett & Myers Tobacco Company, The American Tobacco Company, Sperry Rand Corporation, Wright Machinery Company Division, and Mrs. Mary Trent Semans by and through their attorneys and respectfully move that the above-entitled proceeding be dismissed and in support thereof show to the Commission that:

1.

Section 13a (2) of the Interstate Commerce Act (49 U.S.C.A. § 13a (2)) is unconstitutional in itself.

2.

The application of Section 13a (2) of the Interstate Commerce Act (49 U.S.C.A. § 13a (2)) in this proceeding deprives your protestants of their property without due process of law in that there has been no determination by an appropriate forum of the State of North Carolina as to the public convenience and necessity requirements relating to Trains 13 and 16 during the years of 1959 or 1960 which are relied on by the Southern Railway Company in its petition.

Wherefore, your protestants respectfully pray that this [fol. 272] proceeding be dismissed."

This was again signed by the attorneys for the various parties. I don't think further discussion of the latter motion is necessary.

Exam. Gibbons: With respect to the last motion, dismissal of this proceeding on the ground that Section 13a (2) is unconstitutional, that motion will be taken under advisement, but I might add that the Commission, the Interstate Commerce Commission, never rules upon the constitutionality of the statute that it is called upon to administer, as you know.

Mr. Burns: We thought that it might be advisable to make this for the record.

Exam. Gibbons: With respect to your other motion, that there was no posting of notices as required by the rules of the Commission, I would like to hear some evidence with respect to that point, on behalf of the railroad. However, that motion is one that I am sure will have to be ruled upon by the Commission. We will proceed—therefore that motion will be taken under advisement, and we will proceed with the case.

Mr. Burns: May I ask a question, sir?

Exam. Gibbons: Yes, sir.

Mr. Burns: Did I understand that, you to say that you would like to hear some testimony from the railroad about the notice?

[fol. 273] Exam. Gibbons: From both sides. If I didn't make that clear, I intended to include both sides.

Mr. Burns: Thank you, sir.

Mr. Bryant: If Your Honor please, may I ask Mr. Arthur Dixon, Counsel for the Railroad, if he and I might approach the bench in order that I might speak to you about a matter that I prefer to state off the record.

Exam. Gibbons: We can go off the record. You can state it from where you are.

Exam. Gibbons: Off the record.

(Discussion off the record.)

Exam. Gibbons: Back on the record.

If you will proceed, Mr. Dixon.

Mr. Brooks: Your Honor, please, may I just make the motion that the Durham Merchants Association joins in all the motions previously made for and behalf of the protestants. Their name was left out here, and I would like for the record to show it.

Exam. Gibbons: Very well. Proceed. Call your first witness.

Mr. Dixon: Mr. Waters.

Exam. Gibbons: Do you want all your witnesses sworn in at one time?

Mr. Dixon: That's all right.

Exam. Gibbons: Will all those in the Hearing Room that [fol. 274] are going to testify please stand and raise your right hand and be sworn.

L. L. WATERS was duly sworn and testified as follows:

Direct examination.

Mr. Dixon:

Q. Please state your name, residence and occupation?

A. L.L. Waters—

Exam. Gibbons: Just a moment. I wonder if the witness couldn't sit over on this side. Would that be just as satisfactory? That will be all right. Right there.

Witness: I am L. L. Waters, Manager of Transportation Service of Southern Railway System, P. O. Box 1808, Washington, D. C.

By Mr. Dixon:

Q. Briefly outline your railroad experience.

A. I have been in service with the Southern Railway System forty-two years, all of it in transportation. I have been an officer of the company over twenty-five years, Trainmaster, General Superintendent of Transportation and my present position.

Q. Are you the same L. L. Waters that testified in the proceeding before the North Carolina Utilities Commission?

A. Yes, sir, I am.

Q. Did you have any part in the preparation of the Southern's petition to the ICC in this proceeding?

[fol. 275] A. No, sir. Let me correct that— Yes, sir, I did.

Q. What part of this application are you responsible for?

A. I am responsible for that part of the application down to the bottom of page four in Southern Railway's train schedule.

Exam. Gibbons: Starting where?

The Witness: At the first.

By Mr. Dixon:

Q. As I understand your answer, you are responsible for that part of the petition beginning on the first page, and extending over to page four, just before paragraph four.

A. That is correct.

Q. In other words, the last sentence of your responsibility reads:

"This service is also available at Greensboro to many of the nearby communities now served by trains 13 and 16 East of Greensboro."

A. That is correct.

Q. And in addition, you are responsible for the accuracy of Exhibit 1, attached to the application, which is a schedule of trains 13 and 16, between Greensboro and Goldsboro?

A. Yes, sir. I am responsible for that, except the information concerning the population at the different stations involved; which was prepared by Mr. Bayliss.

Q. Mr. Bayliss will be a witness in this case, will he not? [fol. 276]. A. Yes, sir, he will.

Q. Mr. Waters, do you have any corrections to make in that part of the application which was your responsibility?

A. Yes, sir. On paragraph 1 on page 3, a locomotive is referred to as a fifteen hundred horsepower road switcher. The locomotive now, being used on this run is a fifteen hundred horsepower fp locomotive instead of a road switcher.

Q. What does fp stand for?

A. Freight-passenger.

Q. So with that correction, the part of the application for which you assume responsibility, is true and correct to the best of your knowledge and belief?

A. Yes, sir, it is.

Q. Now, Mr. Waters, when the appearances were entered this morning, we noted that several of these gentlemen represented railroad labor, the Brotherhoods, the Railway Labor Executives Association, will you please explain to the Examiner and the parties just what is going to happen to Labor if the ICC permits the discontinuance of these trains?

Exam. Gibbons: Mr. Dixon, might it be well at this point to have him explain how many employees would be affected, or do you have another witness?

Mr. Dixon: No, sir. He's the witness.

Exam. Gibbons: Can he explain that?

Mr. Dixon: Yes, sir.

[fol. 277] Exam. Gibbons: The number of employees and how they would be affected?

Mr. Dixon: That's what I was trying to say, Mr. Examiner.

The Witness: Southern Railway employees on this trains consist of two sets, an engineer, a fireman, a conductor, a flagman and a brakeman.

Exam. Gibbons: Pardon me just a moment. That would be two sets in each direction?

The Witness: No, sir.

Exam. Gibbons: One set in each direction?

The Witness: There are actually two crews working fifteen days each month, to make—they make a round trip a day.

Exam. Gibbons: Proceed.

The Witness: Ten men on these trains, if the trains are discontinued, they will flow back to other jobs.

Mr. Dixon: Are any of those men eligible for retirement?

The Witness: Yes, there are three eligible for retirement.

Exam. Gibbons: Pardon me. That's a total of ten men, not ten jobs?

The Witness: That's ten assignments, yes, sir. There are ten regular jobs and ten men assigned to those regular jobs. In other words, it consists of—a crew is five men, and there are two crews assigned.

[fol. 278] Exam. Gibbons: Very well. Proceed.

By Mr. Dixon:

Q. So is it fair to say that in the final analysis, none of the employees on these trains necessarily would be displaced?

A. That is right. None of the employees on these trains would be out of work; they will have employment as well or better than they have had in the past, pay-wise.

Q. I think that's all I have.

Exam. Gibbons: The cross examination is in order.

Mr. Burns: At this stage, may I ask to consider pages 1 through 4 as being a part of the record, a part of the pleadings?

Exam. Gibbons: I might say that the petition and all of the exhibits attached to the petition, constitute material

which the Commission requires, and it is a part of the record, subject to explanation of details by responsible witnesses, and subject to cross examination, so it is part of the record, sir.

Mr. Burns: In other words, it is not necessary to offer anything attached to or a part of the petition as a part of the evidence in this case?

Exam. Gibbons: I do not think it's necessary, but I usually incorporate the petition, and its attached, including the record proceeding.

Cross examination.

Mr. Burns: Thank you. Now I believe in the prior [fol. 279] proceeding, Mr. Waters, you testified that this train carried passengers as well as express. Is that correct?

A. Yes.

Q. Does the train still carry passengers as well as express?

A. Yes.

Q. Now, one of the express stops of this train has been eliminated since the last case, has it not?

A. Which one do you refer to, sir?

Q. The one at Elon College has been eliminated, hasn't it?

A. Yes.

Q. And that was by application to the North Carolina Utilities Commission?

A. Elon College is still a stop for this train. If you are referring to an express stop, we do not have an express agent at Elon College now.

Q. Since the last case there is not an express agent at Elon College?

A. That is right.

Q. Since the last case you have also eliminated one of the employees that was on the train, is that not correct?

A. Yes, sir.

Q. Which employee was that?

A. The train porter.

Q. Has the elimination of the express agency at Elon College made the operation of your train any more ex-

[fol. 280] pensive than it was at the time that this proceeding was heard before the Utilities Commission?

A. I have no information that it has.

Q. Has the elimination of the employee, which your company had as a porter, made the operation of these trains any more expensive than it was at the time of the hearing?

A. It amounted to one less employee, yes.

Q. You mean it has made it less expensive?

A. That's right.

Q. Now going back to the express just a minute, what is going to happen to express shippers along this line, in the event the trains are taken off?

Mr. Dixon: Mr. Examiner, if I may interrupt, we have a witness—in fact, our next witness will be an officer from the Railway Express Agency, who can answer all the express questions if that's satisfactory, Mr. Burns. Mr. McVay, the Superintendent from Greensboro is here, and he will be our next witness, and he will deal thoroughly with the express matter:

Mr. Burns: He is an employee of Southern Railway?

Mr. Dixon: No. He is an Express man.

Mr. Burns: Well, let me ask him just one question. Of your own knowledge, do you know what plans Southern Railway has made to take care of the express at these points—that will be without service if the train is taken off?

[fol. 281] A. I understand that the Express Company will provide adequate service.

Q. Then Southern Railway itself is not going to provide any sort of service, is that right?

A. I understand that the Express Company will provide it.

Q. Will that be by rail or by truck?

A. I understand it will be by truck.

Exam. Gibbons: These are the last two passenger trains between these two points, are they not?

The Witness: Yes, sir.

By Mr. Burns:

Q. In order to make that real clear—you did have at one time several trains operating over this line between Goldsboro and Greensboro, did you not?

A. Yes.

Q. I believe in your testimony, at any rate you took off two trains several years ago, about 1955?

A. About that, yes, sir.

Q. Then you took off two other trains about what time?

A. About 1957.

Q. Since 1957 these two trains have been the only trains serving that part of North Carolina, between Goldsboro and Greensboro?

A. The only two passenger trains between Greensboro and Goldsboro.

Q. Are you familiar with the counties through which [fol. 282] your train operates?

A. I am familiar with the stations. We have another witness that has maps and is familiar with the counties.

Q. Do you know whether or not there are any other trains operating, for example, in Orange County?

A. I know that there are other trains operating at Goldsboro and Raleigh, at points that we serve. That's the only information I have; I am not familiar with the counties.

Q. Do you know about other passenger trains in the City of Durham, for example?

A. I know of no other passenger trains in the city of Durham.

Q. That means not only of your own railroad, but of any other railroad?

A. I don't know of any other.

Q. What about Burlington, North Carolina?

A. These are the only two trains that serve Burlington.

Q. And that includes both Southern and any other railroad?

A. Only Southern serves Burlington.

Q. What about Elon College?

A. Same.

Q. Does any railroad at all serve the town of Chapel Hill, North Carolina?

A. Yes.

Q. What railroad serves that?
[fol. 283] A. Southern Railway.

Q. Is that passenger service or freight service?
A. Freight.

Q. For passenger service they would have to go to either Durham or Greensboro or Hillsboro?

A. Raleigh.

Q. Which is the closest town to Chapel Hill served by your service at the present?

A. Durham.

Q. It is a fact that the state university is located at Chapel Hill, North Carolina!

A. I understand that it is.

Q. Now are you familiar with the schedule of your connecting roads at Goldsboro, North Carolina?

A. Yes, sir.

Q. Are you the man in Southern Railway in charge of making schedules?

A. Yes, sir. Southern schedules.

Q. What kind of connections within one hour do you make with trains in Goldsboro?

A. The only two other trains that serve Goldsboro, except Southern Railway trains, and a southbound train goes through Goldsboro, No. 49 at 5:30 A.M. on the ACL and on the route to Wilmington, and a northbound train is due at Goldsboro at 9:35 from Wilmington.

[fol. 284] Q. It's due from! What time does this train leave Goldsboro?

A. 9:35 P.M.

Q. At what time?

A. 9:35 P.M.

Q. What train are you talking about, that leaves at that time?

A. 78.

Q. That's a Coastline train?

A. Yes, sir.

Q. At what time does your Southern Railway train get to Goldsboro, if someone wanted to catch this train no. 78?

A. 10:45 A.M.

Q. So they would wait from 10:45 A.M. until 11:35 P.M. for the connection?

A. I don't know whether they would wait or not; they might decide to ride the bus or an airplane.

Q. If they wanted to ride the train, that's what they would have to do!

A. If they wanted to ride the train, it would leave at 9:35.

Q. Are there any other connections to Goldsboro?

A. Bus connections, yes.

Q. Take the very train we were talking about a minute ago, do you have a train that—strike that, please—is there any other connection there at Goldsboro, with Southern [fol. 285] Railway trains?

A. There are only two other trains in and out of Goldsboro, besides the two Southern trains, and they are the two I just referred to, the two Coastline trains.

Q. I believe it's true that you said that your train does not carry mail at this time?

A. It does not carry any United States mail.

Q. When was the last time your company made an effort to get mail to be carried over these trains?

A. The mail was discontinued over these trains in September of 1957, at which time there followed some negotiation between the railway and the railway mail service.

Q. Is that the last time you heard from the Post Office Department about mail on these trains?

A. I think so, yes.

Q. Who is responsible, as far as Southern Railway is concerned, for the cleanliness of stations?

A. The operating officers of the company.

Q. Which one is that, in particular?

A. Which station?

Q. Let's say Durham, for example?

A. The Superintendent at Greensboro is responsible for it, and he is responsible to the other—

Q. Who is the man that is ultimately responsible for it?

A. The Superintendent.

[fol. 286] Q. Who would that be?

A. Mr. Shu.

Q. Who? That's S-h-u?

A. Yes, sir.

Q. Who is Mr. Shu's boss?

A. Well, I am, in a way.

Q. You are the man that he reports to?

A. He reports to the General Manager and other general officers, of which I am one.

Q. He is not directly responsible to you for all matters relating to cleanliness of the stations or anything like that?

A. He is responsible to management, and I am part of management, yes, sir.

Q. Is there any other witness here that would share the responsibility for cleanliness of the stations with you?

A. I don't think I need anyone.

Q. Well, is there—whether you need them or not, is another question—but is there anyone here that would share that responsibility?

A. I think if I am not qualified, we might be able to find another witness.

Q. I don't mean that. I just want to know who to ask questions about.

A. I have given you the one.

[fol. 287] Q. You are the one?

A. Yes.

Q. Since the last case, have you put in eating facilities in any of the stations that did not have them at the time of the last case?

A. No, sir.

Q. There are still no coke machines?

A. No.

Q. No peanuts?

A. I don't know of any peanuts.

Q. There is no diner on this car that goes to Greensboro, or comes back from Greensboro, is there?

A. No, sir. Not any need of it on there.

Q. The fact remains, though, that once you put yourself in the hands of Southern Railway you can't get anything to eat until you get to the end of this train's line, is that right?

A. You are talking about the passengers from Durham?

Q. The passengers from Durham or any other place.

A. The last time I rode the train I was on the platform at Durham and when I was at Greensboro I had been on the train—

Q. What time was your dinner that night?

A. About 8:30.

Q. Is that Washington time?

[fol. 288] A. No, that's Eastern Standard Time, just like it is here right now.

Exam. Gibbons: I am not clear. Is there a diner on the train?

The Witness: This train that carries the New York connection to Greensboro does not have a diner, but the Raleigh, New York car hooks onto no. 38 at Greensboro, and it has a very nice diner serving meals up to as late as 10:00 or 11:00 o'clock P.M. It is available when the 38 arrives at Greensboro about 8:20.

By Mr. Burns:

Q. When does that train leave Greensboro?

A. 8:38.

Q. That would be the earliest time which someone could get food?

A. They could be served as soon as it arrives at Greensboro, which is 8:33. I think it comes in a little earlier than that.

Q. Unless you want to wait until 8:30 to eat, though, you have got to make some other arrangements, other than what is provided by the railroad?

A. Well, I was just saying, when I went into the diner I had to wait for a place to sit, because it was crowded with people eating at that time of the evening. Apparently it's a good time.

Q. What time did you get a seat?

[fol. 289] A. Five minutes after I went in there.

Q. What time was that, now?

A. About 8:25.

Q. The people that prefer to eat, and you do recognize that some people prefer to eat earlier than that, do you not?

A. Some people might want to eat at 3:00. I would eat before the train left, in some cases. It depends on when you want to eat. There wouldn't be anything wrong with eating before you left Durham. Many do.

Q. Do you think that they do that as a matter of convenience?

A. Their own convenience, I would say. They probably want to eat with their family.

Q. I believe in the last case you testified that you had received some reports indicating that Durham was the worst passenger station in the state of North Carolina, as judged by the inspectors of the North Carolina Utilities Commission, is that not right?

A. There were some reports or conditions in the past, and I didn't agree that it was the worst in North Carolina. The report had a certain point system on it, which would indicate that they had found certain exceptions in the station at Durham.

Q. Whether or not you agreed with it, that was the conclusion that was reached by the Commission, was it not?

A. I think the Commission indicated such.

[fol. 290] Q. What have you done in the way of painting or repairing the Durham station, to improve it since the last year?

A. I don't know of anything that has been needed or done.

Q. Is Durham still the worst station?

A. No, sir.

Q. The fact is that Durham has stayed constant, has it not, and Burlington and Greensboro have now dropped below where Durham was at the last hearing, isn't that the truth?

A. I don't think so.

Q. Is Mr. Shu here today?

A. Yes, sir, he's here.

Q. Which one is he? I would like to meet him.

Now, is Mr. Shu to your knowledge one of the witnesses that were sworn in a minute ago, to testify in this case?

A. No, sir.

Q. He is not?

A. No.

Q. He won't be available to be questioned about the stations and their condition?

Exam. Gibbons: He is available for questioning if he is here. He may be put on and interrogated.

Mr. Burns: Of the stations of Southern Railway—let me strike that, and ask you this way— If it should later develop in this proceeding that the station at Greensboro, North Carolina has the lowest rating of any railroad pas-[fol. 291] senger station in the state, in May of 1961, and that the station at Durham is the next lowest station in the state, and that the station at Raleigh is the next lowest station in this state, and that the station at Burlington is the next lowest station in the state, would you as an official of Southern Railway become somewhat concerned about the conditions that face passengers on this particular trip?

A. I haven't seen the reports, Mr. Burns, but I have been in all of those stations during the past few months, including last week, and I saw nothing in those stations unsanitary or unsatisfactory, as far as my opinion is concerned.

Q. You do not ask to see the reports of the inspectors of the Utilities Commission, about the cleanliness of those stations?

A. I have not seen them, no, since we have had the hearing, but I have inspected the stations regularly since then.

Q. Now do you have some sort of instructions out for Mr. Shu to report to you anytime a station falls below what the Utilities Commission thinks it should be?

A. No, sir.

Q. You don't care about it?

A. Mr. Shu has his responsibility to give such attention that is necessary in connection with any complaints that are made about the passenger stations.

Q. Were there complaints made—there were complaints [fol. 292] made in the last case, were there not?

A. It was discussed. I don't recall any complaints; I recall that the report was submitted, and a lot of comment about the stations—there were comments about the stations—I still didn't see anything unsanitary about the stations then or now.

Q. Are you going to be here at the conclusion of this hearing, after we have had a chance to put on witnesses to identify official records of the North Carolina Utilities Commission?

A. Yes, sir.

Q. Who is Mr.—well, let me rephrase the question—

Are the station managers or agents directed to send reports of sanitary conditions of the stations to Mr. Shu who is the Division Superintendent?

A. He receives them, yes, sir.

Q. What does he do with them?

A. I believe I answered that question. When he gets the report he makes whatever correction is necessary.

Q. Are you through?

A. Yes.

Q. Nobody else in the hierarchy of Southern Railway seems that he carries out his duties?

A. I just told you that the station is checked by other officers of the company, including myself, and of course [fol. 293] anything I saw in a station that was unsanitary I would call it to the attention of the Superintendent.

Q. The fact that others may report that the station needs a good cleaning with soap and water would not be of particular interest to you if you didn't think it needed a good cleaning with soap and water?

A. I didn't say that.

Q. Would such a report be of interest to you?

A. Yes, it would be of interest.

Q. Would a report that a station is in need of a general cleaning be of interest to you?

A. We welcome any reports in connection with the conditions of our stations.

Q. Well, why don't you do something about them when you get them from the officials of the North Carolina Utilities Commission?

A. What are you referring to?

Q. When you get reports or statements like these, why don't you do something about them?

A. Which statement are you referring to? What conditions are you talking about?

Q. It is awfully hard to ask you these questions without putting reports before you and showing them to you.

A. Yes.

Q. If a report from an inspector from the Utilities Com-[fol. 294] mission were to say something to this effect:

"That a general cleaning of soap and water would help, but a coat of paint would be much better," that would not be of particular interest to you?

A. Yes, it would.

Q. Would you try to see that the soap and water were used, if you couldn't afford the paint?

A. Yes, sir. They are used.

Q. If another report were to provide that a station is in need of a general cleaning, a coat of paint would help very much, would that report be of interest to you?

A. Yes, sir.

Q. Would you think that Mr. Shu should call such reports as that to your attention?

A. No, sir.

Q. He just ought to go ahead and do it!

A. He would.

Q. What if he doesn't do it? What is your responsibility in that connection?

Q. A. I would probably see it sometime on passing there and call it to his attention.

Q. You are not interested in seeing the actual reports, though?

A. I have seen them.

Q. Some of your stations are rated as poor stations. You wouldn't be concerned about that either, I take it?

[fol. 295] A. I don't recall rating one as a poor station recently.

Q. Well, I'll ask you to accept, subject to check, that the Burlington, North Carolina station was rated in poor condition on June 14, 1961. Do you accept that check?

A. I checked the station on June 20 and I did not consider it unsanitary in any way.

Q. Do you think that they got to work and did a little cleaning with that soap and water?

A. I don't know. They clean it very frequently, probably daily.

Q. I believe that's all. That's all the questions I have at this time. Mr. Bryant has questions on a subject I did not cover.

By Mr. Bryant:

Q. Mr. Waters, the western terminal of these two trains, 13 and 16, I believe is at Greensboro?

A. Yes, sir.

Q. And the eastern terminal is at Goldsboro?

A. That is right.

Q. And the train route runs therefore generally east and west?

A. Yes, generally.

Q. Now the route from Greensboro to Goldsboro lies entirely within the state of North Carolina, does it not?

A. Yes, sir.

Q. And no part of the operation of the train from Greens- [fol. 296] boro to Goldsboro is outside of the state of North Carolina?

A. The Durham, New York sleeper is interstate, operating to New York and several other states.

Q. I understand that, but no part of this route is outside of the state of North Carolina?

A. Our rail from Greensboro to Goldsboro is entirely within the state of North Carolina.

Q. Therefore, I assume that you would answer that no part of the route from Greensboro to Goldsboro is outside of the state of North Carolina?

A. I answered the question. The route includes many interstate movements.

Q. Would you answer the question, please, if any part of the route from Greensboro to Goldsboro is outside the state of North Carolina?

A. I believe I answered the question by saying that our railroad from Greensboro to Goldsboro is all within the state of North Carolina.

Q. Once again I am going to put the question, and ask you to answer yes or no as to whether any part of the route from Greensboro to Goldsboro is outside of the state of North Carolina?

A. Are you speaking of the Southern Railway route?

Q. Yes, sir.

A. Yes, it's in the state of North Carolina.

[fol. 297] Q. What generally are your duties? I am not sure that I understood just what part of the operation of the Southern Railroad came under your duties?

A. I have general supervision of passengers and freight service.

Q. Over what area, Mr. Waters?

A. Southern Railway System.

Q. That is the entire system?

A. Right.

Q. And that, of course, would mean that you have the general supervision of the passenger and freight service in the area for these two trains?

A. Yes.

Q. Is it a part of your duty to generate passenger and freight service for the Southern Railroad in this area?

A. I have responsibility and duties in connection with providing this service; other employees are responsible for soliciting. I wouldn't solicit, but I would hope they would ride our railway.

Q. Do you solicit freight business, Mr. Waters?

A. That is not my assignment, to solicit freight business, but I do solicit freight business.

Q. Do you also solicit passenger business on this route from Greensboro to Goldsboro?

A. That is not my assignment, but I would certainly be [fol. 298] glad for anybody to ride our trains.

Q. Whose assignment is it, to solicit passengers from Greensboro to Goldsboro and from Goldsboro to Greensboro?

A. The officers of the passenger department.

Q. What are their names?

A. Mr. D. H. Beck is representing us here. He will be a witness at the hearing to testify.

Q. What is his official title?

A. He is General Traffic Manager of the Southern Railway System.

Q. Now, Mr. Waters, in the organization set up by Southern Railway Company, to whom do you report about passenger matters?

A. I report to Mr. K. C. Schults, Assistant Vice President in Washington.

Q. I am sorry; I did not get his name. K. C. what?

A. Schults. S-e-h-u-l-t-s.

Q. Do you know whether the Southern does any advertising or has done any advertising for passengers on this Greensboro-Goldsboro route, since the hearing in this case?

A. No, sir. I do not, but Mr. Beck can answer that question. He will be available later.

Q. Does it come within your jurisdiction to see that janitorial service is provided at these stations between Greensboro and Goldsboro?

[fol. 299] A. I believe I explained that before, sir. I make inspections of stations and do handle that if I see that something is unsatisfactory.

Q. Maybe I did not make my question clear. I intended to direct it more providing, or to see that janitorial service was provided; within whose jurisdiction does that come, yours?

A. In the first place, it would be the responsibility of the agent at the station to have this provided, and the agent reports to the Superintendent.

Q. And then the Superintendent to you?

A. Well, he reports it to the General Officers of the Company, of which I am one.

Q. Can you tell us, sir, what janitorial service is provided at the Durham station?

A. Yes, sir.

Q. What?

A. We have a porter there that provides janitorial service at the station, seven days a week.

Q. Do you know what hours he is on duty?

A. Yes, sir.

Q. Kindly let us have that information?

A. Seven to nine A.M. and four to six P.M.

Q. Four hours a day?

A. That's right.

[fol. 300] Q. Other than for those hours, what—that's the one janitor, I believe you have?

A. That's all we need.

Q. Now what other employees do you have for the Durham station?

A. We have a ticket agent seven days a week.

Q. And what are the hours for the ticket agent?

A. Nine A.M. to six P.M.

Q. In other words, you have one agent on duty continuously from nine a.m. to six p.m.?

A. She works eight hours, has a lunch period.

Q. Other than the lunch period now, you say she's on duty. Now, are there any other employees for the Durham station, other than the porter and the ticket agent?

A. That is all.

Q. What time does the eastbound train, is that no. 13 or 16, the eastbound train?

A. 16.

Q. What time does no. 16 get,—is no. 16 scheduled to arrive in Durham?

A. 7:55.

Q. And to depart?

A. 8:10.

Q. So that the only person on duty at that time is the porter?

[fol. 301] A. He's the only employee in the station on duty.

Q. Who is the only one there who would be in a position to furnish any information about train schedules or departures prior to 9:00 o'clock?

A. We have other employees at Durham, an agent and others who the ticket clerk reports to, on hand. We have a bulletin board there, that has a schedule of the trains.

Q. Aren't they all at the freight station?

A. The agent is all over the place, the freight station, in the yard. He is the general supervisor. He meets the train almost every day, and the assistant agent, he meets it too, very often.

Q. Mr. Waters, do you know whether any money has been spent at all, in the repair or renovation or maintenance of the Durham Railway Station since the last hearing in this matter?

A. No, sir, I do not.

Q. Do you know whether there has been, to your knowledge, any advertisement with reference to the passenger service in or out of Durham, since the last hearing?

A. No, sir, but Mr. Beck can answer that question definitely.

Q. I'd like to ask you, Mr. Waters, if you have discussed the operation of these, the continuous operation of these passenger trains with Mr. K. C. Schults?

A. Yes, sir.

[fol. 302] Q. And I ask you, sir, if it is not the definite and planned policy, and hasn't it been the planned policy of the Southern Railway Company, since the hearing in this matter, to do whatever it could to make these trains unpopular, and to force a discontinuance of these trains?

A. No, sir. No such plan.

Q. All right. What has it done in order to make them more popular or more desirable, as a mode of travel, since the date of the hearing before the Utilities Commission?

A. We are providing good service, on time operation, air-conditioned cars.

Q. Don't you know, as a matter of fact, that you have stopped air conditioning in the cars, prior to the time the train came in, and up until about the time of the hearing before the Utilities Commission that you did pre-air-condition those cars?

A. The cars are being air-conditioned.

Q. That isn't answering my question. I am asking you if you don't know, as a fact, that since the date of the hearing before the Utilities Commission, that you have stopped pre-air-conditioning those cars before they were hooked up on the train?

A. No, sir. It hasn't been stopped. It might have been a day or two intermittently, when they were not pre-cooled, but as far as I know, there has always been a time when [fol. 303] they had some mechanical failure, but there is no plan to discontinue pre-cooling the cars.

Q. I asked you, sir, that since the train came in April up until yesterday that there was no pre-cooling of this car in Raleigh?

A. I will say that I checked on it yesterday, and it was pre-cooled yesterday.

Q. Do you know whether it was pre-cooled at any time between April and yesterday?

A. I don't think I have checked it during that time, but I have certainly had no complaint about failure to cool cars.

Q. Don't you know that orders that were given—

A. No such orders.

Q. Did you make any inspection yesterday of the methods of pre-cooling the car, and facilities for pre-cooling it?

A. Yes, sir.

Q. Didn't you find only yesterday that a plug was broken and that the car could not be pre-cooled until that was fixed?

A. No, sir.

Q. Now I ask you if you don't know that that had been the condition since April?

A. The cooling facilities at the station at Raleigh have been operated continuously since the last hearing.

[fol. 304] Q. And you say that you found nothing wrong with the cooling facilities yesterday when you inspected them?

A. I might qualify that by saying that we have two different stand-by plugs at Raleigh, and one of them has been out of order, and the other one is working.

Q. For how long?

A. I don't know how long it has been—two or three months.

Q. The one that was working, was it where they park freight cars?

A. That's the regular place to park cars, over there where the plug was.

Q. None was available until yesterday for pre-cooling the passenger cars?

A. The one in front of the station, the regular place to park the cars, the only location where they have steam facilities, and the facilities there have not been out of order.

Q. Without belaboring that point, let me get back to my question. Tell us, please, what the Southern has done, if anything, since the last hearing before the Utilities Commission, that was done to improve the passenger service and to make passenger service on these trains more desirable?

A. We have improved our schedule to New York. You get in there at eight o'clock a.m. instead of nine o'clock a.m.

Q. All right. What else?

[fol. 305] Q. Can you name me one other thing?

A. On time trains.

Q. Didn't they run on time before?

A. Yes.

Q. Can you tell me of any money that has been spent on any of the other stations, I have asked you about Durham, between Greensboro and Goldsboro, including those two places, on the passenger trains since the last hearing?

A. No, sir, I don't know anywhere where they needed any money spent. I told you I inspect the stations from time to time. I haven't seen any place where they need any money spent.

Q. And you tell us now, since the hearing before the Utilities Commission, you have not taken pains to secure the reports of the North Carolina Utilities Commission on the conditions of the stations along this route. Is that correct?

A. I have discussed it with the division officers, and made personal inspections of the stations since then, but I have not seen the reports.

Q. I submit though, that the question I want to ask you, is that after, have you had them obtained?

A. I haven't seen the reports; I inquired of the Superintendent about them; I have discussed them.

Q. Do you know whether he saw them or not?

[fol. 306] A. The trainmaster said he saw them.

Q. Mr. Shu I am talking about. Do you know whether Mr. Shu saw the reports?

A. Yes, he saw them.

Q. I assume then that he saw the reports as a part of his official duty?

A. That's his job.

Q. He would be here to answer questions as to what he did with the reports, if anything. To answer questions as to—

Mr. Waters, who in your organization keeps a record of the financial operation of these trains, at the present time?

A. The Accounting Department.

Q. And who is the head of that department?

A. Mr. Gleason is representing us here.

Q. Is Mr. Gleason here to testify on that point?

A. Yes, sir.

Q. That I assume does not come within your jurisdiction?

A. That's right.

Q. I believe that's all I have to ask the witness, Your Honor.

Exam. Gibbons: Further cross?

Mr. Holton: Mr. Waters, I believe you said that you had ten men losing jobs in case these two trains are discontinued?

[fol. 307] A. I said there were ten men assigned to these runs, who will have other jobs that will pay as much as they are now making.

By Mr. Holton:

Q. Will you explain the operation of seniority on the railroads? Are you going to have someone appear, that will explain that particular item?

A. I'll answer the question.

Q. In case the train should be discontinued, you say these men will have just as good jobs or better jobs?

A. They will have jobs that pay as much or more.

Q. What happens to the men that they displace?

A. You are familiar with the seniority system, I presume. These men are all old heads, and they will displace other men who will displace other men, and the final analysis, it might be that some men at the end would be furloughed, depending on business conditions, vacations, and many other aspects.

Q. You would have ten men that would be cut back from regular jobs to part time work?

A. It could be, but not definitely.

Q. If you displace ten automatically, as you would go down, ten more—

A. The employment on the railroad fluctuates from time to time, as to business levels. It might be that—some of them, I suppose, will retire. Three of them probably can [fol. 308] retire.

Q. In the event that this train should be in operation on October 1, do you anticipate that these men that you are

referring to should retire between now and October 1, or July 1, or what month?

A. I don't know when they are going to retire. I know I made a check down here, and since then one of them has retired.

Q. But it was a full crew on there yesterday?

A. It was a full crew.

Q. And since the study has been made, there has been one man to retire?

A. Since I first checked on it, there has been one to retire and there is still three—

Q. What happens to the pullman crew on there?

A. I am not working for the pullman company, but the conductor is eligible for retirement, so he told me, and he stands for other work.

Q. Does the pullman conductor and a pullman porter work on the pullman car, is that correct?

A. Yes.

Q. Now, that would be twelve men?

A. I was referring to Southern Railway men when I made my statement.

Q. Do you have any other agent in Durham, besides the [fol. 309] lady ticket agent there?

A. We have two other agents.

Q. Where will they go, in case there are no more tickets to sell?

A. You mean the two employees at the station, they will be furloughed; they are both experienced people, and it might be that other work can be found for them. They do not hold seniority anywhere else on the railroad.

Q. You used the term, "other work could be found," just what do you mean?

A. Well, for instance, this ticket clerk is an experienced ticket clerk; and we have extra work, vacation work, and it might be that a place can be found for her. We will certainly consider her for any work we have.

Q. Are you saying that in the event these trains would be discontinued, that no employee will be in a worse condition?

A. I didn't say that.

I said that these ten train service employees on this train would stand for work that would be paid as much or

more than they are now making, and three of them stand for retirement. The pulman conductor also stands for retirement.

Q. I believe that's all, sir.

Exam. Gibbons: Further cross.

By Mr. Burton:

Q. I represent the Railway Executives Association. You [fol. 310] have dwelt on two employees at Durham, what effect would it have on the station employees and ticket agents at Goldsboro, Selma, Raleigh, and any other stations on this Goldsboro to Greensboro division. I don't believe you brought that out.

A. The station at Goldsboro is operated by the Coastline. What action they will take in connection with this movement, I do not know, but as far as our own railroad is concerned, there is only one other position that we think will be furloughed when the train comes off, and that is the operator at Burlington, and he stands for a pension and has made a statement that he will retire when the job is cut off.

Q. Two at Durham and one at Burlington, and you don't have anyone at Selma that would be affected by this?

A. Selma is a Coastline operation, and I am not familiar with the Coastline plans of what reductions they will make, if any.

Q. In the overall picture, there will be thirteen employees that will be adversely affected by the discontinuance of this train. Ten train crewmen, oh, it would be more than that; it would be fifteen. Ten train crewmen, two pullman employees, and two at Durham and one at Burlington.

A. I didn't say anyone would be adversely affected. I said that these ten crewmen, when these jobs were cut off, they would stand for jobs that pay more money, as much or [fol. 311] more, and the operator at Burlington he said he would retire, so he won't be adversely affected, and the two at Durham will be furloughed, and I believe I explained their status.

Q. Are you familiar with the seniority procedure on the railroad same as I am, and you know that somebody is going

to be out of a job as a result of ten or thirteen people falling back in seniority order. It goes to the bottom of the totem pole, so they are going to be out of regular employment. Is that right?

A. Could be, but may not be. It depends on the business level.

Q. If business picked up and you had the other people working, these people still would be affected?

A. There are people retiring almost every few days, and probably some of these fellows will retire. They won't roll anybody. If they retire they won't be working.

Q. That's a probability, but the reality proposition is that somebody is going to be out of employment?

A. You asked me if they would be adversely affected. I didn't agree that they would be, because they may not be.

Q. But you can't guarantee that they won't be.

A. I wouldn't guarantee it.

Q. That's all.

By Mr. Carnes:

Q. Mr. Waters, I believe you said that there are three men, that are on the train operating crew that are eligible [fol. 312] for retirement?

A. Yes, sir.

Q. Just what do you mean by that—do you mean that they are sixty-five years old or older or what do you mean?

A. They are sixty-five or older.

Q. Now, in the Southern Railway System, do you know whether or not they have a forced retirement age limit in effect, the Southern Railroad?

A. For some employees, yes.

Q. Do you know whether the operating crew has a forced age limit?

A. The conductors and trainmen.

Q. How about the engineers and firemen?

A. No, sir.

Q. Now, these three men that are eligible, do you know who they are?

A. Yes, sir.

Q. Would you state who they are?

A. J. B. McClintock, age 69. He is an engineer.

W. E. Cheek, Conductor, age 67.

L. B. Strayhorn, Engineer, age 66.

Q. I believe Mr. McClintock and Mr. Strayhorn are engineers on 13 and 16, is that right?

A. Yes.

Q. You are only assuming that they might take their [fol. 313] retirement if these trains are discontinued, is that right, Mr. Waters?

A. They are eligible for retirement.

Q. But you don't know, you haven't talked with them, have you?

A. I haven't talked with them about that, no, sir.

Q. That's all.

Exam. Gibbons: Any further questions?

(No response.)

The witness may be excused. We will take a very brief recess at this point.

(Witness excused.)

(Off the record.)

(Recess taken.)

Exam. Gibbons: Back on the record.

(On the record.)

Mr. Eisenhart: Mr. Cruise, please. Mr. Examiner, I am putting Mr. Cruise on, and one or two other witnesses at this time, although it breaks the continuity of our case, because they are non-company-witnesses, and have to leave in a short time, and I would rather that they would get on this morning before we adjourn.

AARON CRUISE was duly sworn and testified as follows:

Direct examination.

By Mr. Eisenhart:

Q. Mr. Cruise, would you give your name, address and [fol. 314] occupation?

A. Aaron Cruise, Raleigh, North Carolina, Assistant Traffic Manager of Carolina Coach Company.

Q. How long have you been employed?

A. Thirteen years.

Q. How long have you been employed by them in Raleigh?

A. Twelve years.

Q. What operations are conducted by the Carolina Coach Company in the territory served by trains 13 and 16, between Greensboro and Goldsboro?

A. We operate between Greensboro and Raleigh.

Q. How many schedules a day do you operate between Greensboro and Raleigh?

A. We operate fifteen round trips daily, plus one round trip on week-ends.

Q. This is sixteen round trips on week-ends?

A. Yes.

Q. Do you have connecting arrangements for service with other bus lines?

A. We do.

Q. Do you have any operations east of Raleigh?

A. We operate east of Raleigh through Wilson, to Little Washington, North Carolina, and Rocky Mount into Norfolk. We do not operate between Raleigh and Goldsboro.

Q. Do you have any connections that operate between [fol. 315] Raleigh and Goldsboro?

A. Yes, sir. The Seashore Transportation Company and The Southern Greyhound Lines, both operate between Raleigh and Goldsboro. We operate one through schedule daily round trip between Greensboro and Goldsboro, in conjunction with Seashore Transportation Company.

Q. What sort of equipment do you maintain on your runs, Mr. Cruise?

A. We operate general motors buses, regular scheduled

buses. The newer models have air conditioning and restaurants.

Q. Are you in a position to observe any more traffic on your schedules?

A. Yes, sir, we are. We have forty-nine extra buses in this area, that are available for service. Our present schedule, many of them are between Raleigh and Greensboro, are operating at less than cost now, indicating passenger volume very low.

Q. Where do you base your extra buses?

A. The majority of them for this area are in Raleigh. Others are in Greensboro, Charlotte—

Q. Are they available if there should be crowded conditions on your regular equipment on week-ends or holidays or at any other time?

A. They are, sir.

[fol. 316] Q. Do you provide charter service?

A. We do, sir.

Q. What is the bus fare, Mr. Cruise?

A. Our fares in this area are based on three cents per mile per one way, adult passengers.

Q. You have round trip fares?

A. We do. They are 180% of the one way fare.

Q. Mr. Cruise is offered as a witness on the availability of competitive service. That's all the questions I have of him and tender him for cross examination.

Exam. Gibbons: Cross examination is in order.

Cross examination.

By Mr. Burns:

Q. Mr. Cruise, I think you said you work for Carolina Coach Company?

A. Yes, sir.

Q. You are familiar, of course, with all of the schedules of that company, is that right?

A. Yes, sir.

Q. Are you familiar with bus schedules of other carriers operating between Greensboro and Goldsboro?

A. Generally, yes.

Q. Do you know of any bus company that operates service from Burlington, North Carolina in a northward direction?

A. By northward?

Q. Towards Washington, New York, Philadelphia?
[fol. 317] A. We operate a service out of Burlington to Norfolk; it operates either through Greensboro or Raleigh.

Q. In other words, you go to Greensboro, change buses in Greensboro for northbound service?

A. Yes, sir.

Q. There is no direct service from Burlington to Washington, is there?

A. Without a change of bus, no.

Q. There is also no direct service from Durham to Washington?

A. Yes, sir, there is.

Q. There is? Where is that service?

A. That service is operated out of Durham by our company, via Raleigh, Richmond, and from Richmond north it is operated by other companies in the trailway system.

Q. In other words, you come from Durham to Raleigh and then go to Richmond, is that correct?

A. That is our service.

Greyhound Lines, Southern Greyhound Lines Division operates from Durham to Richmond, Washington and New York through Oxford and Henderson.

Q. In other words, you change there?

A. No, I am speaking of through service without changing bus.

Q. Those same buses that you mentioned, would they also [fol. 318] serve points like Elon College and places like that?

A. The through buses from Durham, that I have just mentioned do not serve Elon College.

Q. The through buses do not stop at all the intermediate points, say between Greensboro and Burlington?

A. The through buses to Washington, D. C. and points north on this particular line would originate in Chapel Hill or Durham.

Q. In other words, the bus does not go to Burlington?

A. This through bus doesn't go to Burlington.

Q. Did I understand you to say that your bus company

does not operate east of Raleigh, except on the one round trip per day to Goldsboro, and on a route from Raleigh to Little Washington, North Carolina?

A. We operate out of Raleigh east to Little Washington by Wilson and Greenville to Little Washington, and through Rocky Mount, Williamston, and Elizabeth City, Rocky Mount and Scotland Neck into Norfolk. We do not operate from Raleigh to Goldsboro. There is a through bus from Greensboro to Goldsboro. It is operated by Carolina Coach Company between Greensboro and Raleigh and Seashore Transportation Company between Raleigh and Goldsboro. It is a leased equipment arrangement.

Q. And on the through buses you have mentioned, they do not stop at intermediate stops, such as McLeansville, Gibsonville, [fol. 319] Elon College, Graham, Haw River, Mebane, Efland, Chapel Hill?

A. I have just mentioned the through bus from Greensboro to Goldsboro. That stops at Sedalia, Gibsonville, Elon College, Burlington, Graham, Haw River, Mebane, Efland, Hillsboro, Durham, Morrisville and Cary and Raleigh.

Q. And then Raleigh on the other side?

A. Between Raleigh and Goldsboro, the only time that it makes a stop is at Smithfield.

Q. Is your company proud of the service it renders?

A. Yes, sir.

Q. Do you think it is first class passenger service?

A. We do, sir.

Q. You are always working to improve it?

A. We are, sir.

Q. Are you trying to compete with the railroads for passengers?

A. Yes. We are competitive with the railroads.

Q. Do you advertise your schedules in the newspaper?

A. We do.

Q. That's for the purpose of informing the public as to when the buses leave and where they go?

A. We do not advertise individual time tables in the newspapers. There's too many of them. We advertise our service in the newspaper.

[fol. 320] Q. I think that I have some recollection that your company, along with several other companies, ex-

pressed some concern about the operation of union stations in this state, from time to time. Is that correct?

A. We were involved in a hearing on that subject. I don't know that our company was expressing concern. It was other companies that brought the hearing about.

Q. Your company, I believe, sought to improve the union station facilities that are available?

A. No. Generally our position was that the present set up was reasonable and good, and should be continued.

Q. Your company does seek to improve the services provided at the stations?

A. Yes, sir.

Q. By the way, does your—do your stations have eating establishments in them?

A. The larger stations do.

Q. Burlington, for example?

A. No, sir. Burlington does not.

Q. How about Greensboro?

A. Greensboro does.

Q. Isn't it a fact that there is an eating establishment adjoining the station at Burlington?

A. There was the last time I was in Burlington, very recently. I am sure it is still there.

[fol. 321] Q. It was the last time I rode that bus, too. There is one in Durham?

A. There is.

Q. There is one here in Raleigh?

A. Yes.

Q. That's all the questions I have.

By Mr. Bryant:

Q. Mr. Cruise, you have had twelve or thirteen years experience in the traffic management division of Carolina Coach Company here in Raleigh, I believe?

A. Yes, sir.

Q. In addition to being familiar with the motor coach services offered in certain areas of North Carolina, you also are generally familiar with the rail passenger services offered in those same areas?

A. Just in a general way.

Q. Now it has been testified, and I, of course, assume to be a fact that generally speaking, this route from Greensboro to Goldsboro runs in an west-east direction or an east-west direction?

A. Yes.

Q. If that passenger rail service was eliminated, I ask you whether there would be any passenger rail service in North Carolina, running east and west looking eastward from Greensboro?

A. I don't know of any service other than that.

[fol. 322] Q. Now Greensboro is approximately at the center of the state of North Carolina, or maybe just slightly west of the east-west center of the state, is it not?

A. About, yes.

Q. And if you were to eliminate this rail passenger service east of Greensboro on trains 13 and 16, is it not a fact that that would leave an area east of Greensboro in the state of North Carolina, with a population of approximately 2 million people, without any east-west rail passenger service?

A. That's probably right.

Q. If a man wanted to go to New York, say a passenger wanted to go to New York, Philadelphia or Washington to transact business, and this pullman car on trains 13 and 16 were eliminated, the only way that he could reach there by any public means of transportation would be either by plane or by bus, would it not?

A. I believe—from what point of origin are you speaking of?

Q. I should have pinpointed it between Greensboro and Goldsboro—say, Durham, I am asking about specifically. He would have to take a plane or motor coach, wouldn't he?

A. From Durham that's all I know of.

Q. If he took the service which you offer, that would mean if he left Durham in the afternoon in order to get to Phila-[fol. 323] delphia, New York or Washington to transact business, he would have to ride the motor coach all night, wouldn't he?

A. If he left in the late afternoon.

Q. Do you have a motor coach leaving Durham for New

York, or is there such a service available by motor coach leaving Durham in the late afternoon?

A. Yes, sir.

Q. Do you know what time that would arrive in New York?

A. We have a through bus out of Durham, leaving Durham at 5:15 P.M. Eastern Standard Time, and arrives in New York at 5:50 Daylight Saving Time.

Q. I believe that would be 4:15 on Standard Time!

A. Yes, sir.

Q. And if he rode the coach all night and attempted to transact business in New York, let us say that day, and then wanted to come back to Durham after the completion of business on the afternoon, I suppose he could leave by motor coach from New York, and arrive back in Durham after sitting up on the coach all night, couldn't he?

A. He could, sir.

Q. What time would he get into Durham?

A. Well, if he left New York at 8:30 P.M. Eastern Daylight Time he would be in Durham at 7:35 A.M. Eastern Standard Time.

[fol. 324] Q. So a man coming from that direction, who wanted to transact business in Durham, if he took the coach could get there by coach by sitting up all night?

A. Yes, sir.

Q. I believe that's all I wanted to ask you, sir.

Exam. Gibbons: Further cross examination?

By Mr. Graham:

Q. Mr. Cruise, in view of your experience and the type business in which you are engaged, the matter of the discontinuance of what amounts to a competitive carrier is not one that's calculated to fill you with very grave misgivings, is it?

A. No, sir.

Q. That's all, sir.

Exam. Gibbons: Further cross examination?

(No response.)

Exam. Gibbons: Mr. Cruise, you are familiar with all of the towns which are served by the trains in the subject of this proceeding?

The Witness: Yes, sir.

Exam. Gibbons: Including Greensboro and Raleigh, how many of the towns that are served by trains are not served by bus?

The Witness: There is the village of McLeansville, which is about two miles from—

And then there is a place called Glen, which is on the railroad, but not on the busline, and it's not very far, I [fol. 325] don't know exactly.

Exam. Gibbons: Are those the only two then that do not have bus service?

The Witness: That is correct.

Exam. Gibbons: Between Greensboro and Raleigh?

The Witness: Yes.

Exam. Gibbons: Now, between Raleigh and Goldsboro, how many towns that are served by the trains do not have bus service?

The Witness: On the rail schedule, there is a place called Rose that is not on the bus timetables, and I don't know whether the buses go through there or not. I am not familiar with that place. I believe it's a very very small place, but other than that—

Exam. Gibbons: Is that the only one?

The Witness: Yes.

Exam. Gibbons: Does that mean then that all of the cities, except the one that you mentioned between Raleigh and Goldsboro, have daily bus service?

The Witness: Yes, sir.

Exam. Gibbons: Is that also true between Greensboro?

The Witness: Yes, sir.

Exam. Gibbons: You mentioned fifteen round trips a day between Greensboro and Raleigh, the bus service between Raleigh and Goldsboro is not that frequent, is it? [fol. 326] The Witness: There are eight round trips daily between Raleigh and Goldsboro.

Exam. Gibbons: Any further questions?

(No response.)

Exam. Gibbons: The witness may be excused.

(Witness excused.)

Exam. Gibbons: Call your next witness.

Mr. Eisenhart: Mr. Watson, please.

J. A. WATSON was duly sworn and testified as follows:

Direct examination.

By Mr. Eisenhart:

Q. Will you state your name, address and occupation, Mr. Watson?

A. James A. Watson, 1506 Euclid Road, Durham, North Carolina, Assistant Airport Manager of Raleigh-Durham Airport.

Q. How long have you been employed at the Raleigh-Durham Airport?

A. Four years.

Q. Mr. Watson, do you have a number of flights from the Raleigh-Durham Airport to Washington, D. C., during 1960 or any other period?

A. Yes, sir.

Q. Do you have it for 1960?

A. Yes, sir.

Q. Would you please state what that number is?

[fol. 327] A. Do I understand you to want the daily number of flights, or the total number for 1960?

Q. The daily number of flights from Raleigh-Durham to Washington?

A. At the present time, there are nine daily flights to Washington, D. C.

Q. At the present time?

A. Yes, sir.

Q. How many daily flights are there to New York from Raleigh-Durham?

A. There are eight.

Q. Are there also flights east—I mean westward from Raleigh-Durham?

A. Yes, sir.

Q. What principal cities are served from Raleigh-Durham on a westward basis?

A. Well, for instance, Kansas City. We have seven flights—

Q. Do you have flights to Chicago?

A. Yes, sir.

Q. How many?

A. Nine.

Q. How about Cincinnati?

A. I don't have Cincinnati, the total. I know that Cincinnati is served by one airline, I know, two flights per day; I am not sure about the other two airlines.

[fol. 328] Q. Do you have available the number of airline passengers from Raleigh-Durham airport during 1960, Mr. Watson?

A. Yes, sir. According to our figures, there were 134,836.

Q. Are those all commercial?

A. They are commercial passengers.

Q. Mr. Watson, is there some construction work being done at Raleigh-Durham at the present time?

A. Yes, sir, there is.

Q. What is that?

A. We are extending the main runway from 5500 feet to 7500 feet.

Q. What is the purpose of that extension of the runway?

A. We can take heavier aircraft, longer range aircraft in the jet class.

Q. During your time at Raleigh-Durham Airport, Mr. Watson, what has been your experience as to the airport being closed?

A. Well, as a matter of fact, the airport itself is never closed.

Q. Are flights sometimes delayed because of weather conditions?

A. Yes. We have brief periods of delay. Our experience has been that there have been no long periods of delay.

Q. When you say brief periods, approximately how long do you have in mind?

[fol. 329] A. Oh, several hours.

Q. During the past year have you had any period when you had delay of more than a day?

A. Not to my knowledge, no, sir.

Q. Did you ever have any as long as a day, during the past year?

A. Possible we had one day; I don't remember any more than one day during the past year.

Q. When you speak of a day, do you mean a 24 hour period or a 12 hour period?

A. 24 hour period.

Q. That is all I have, Mr. Watson.

Exam. Gibbons: Cross Examination is in order.

Cross examination.

By Mr. Burns:

Q. Mr. Watson, do you still take pride in your airport out there?

A. Yes, we do.

Q. Is it clean?

A. We think so. Yes, sir.

Q. Have you got a place to eat out there?

A. Yes, sir.

Q. As a matter of fact, you have a very fine cafeteria, do you not?

A. Yes, sir. A restaurant.

Q. Do you try to compete with the railroads out there for [fol. 330] passenger service?

A. I wouldn't say that we are actually competing with the railroad.

Q. In other words, you say that the airlines would not be helped or hurt by no rail passenger transportation?

A. Not appreciably; I wouldn't think so.

Q. Now you mentioned nine flights to Chicago. All of those flights except for one goes through some other point; there is only one direct flight to Chicago, is there not?

A. I would have to refer to the Eastern Air Lines schedule. I believe we have two flights that are non-stop.

Q. When was that flight introduced?

A. I couldn't tell you.

Q. Is it not often a fact that planes are supposed to land at Raleigh-Durham, take passengers when coming from the north to some place, say, to Charlotte, and then the

passengers are put on buses and brought back to Raleigh-Durham?

A. It's a very rare thing, sir.

Q. Isn't it a fact that they are sometimes taken in a northerly direction to such places as Richmond and deplaned there and brought back on buses or airport limousines?

A. It probably would happen on rare occasions.

Q. One of those rare occasions has been in the last thirty days, hasn't it?

[fol. 331] A. I do not know, sir. I am not there on a 24 hour basis, and something like that could occur at night, when I am not aware of it.

Q. In other words, your testimony is limited to the period that you are there?

A. Primarily, yes, sir.

Q. That's all the questions I have.

By Mr. Jones:

Q. Mr. Watson, just one or two questions I would like to ask you. I believe you work for the Raleigh-Durham Airport Authority?

A. Yes, sir.

Q. The Raleigh-Durham Airport Authority does not operate any airplanes?

A. No, sir.

Q. It merely operates the airport facilities?

A. Yes.

Q. In that airport, of course the various independent firms, such as Eastern Air Lines and Capital, United and these others operate their own planes?

A. Yes, sir.

Q. On schedules which they fix and which have been approved by the responsible government authorities?

A. Yes, sir.

Q. Each one of these airports, I mean airplane companies has its own, of course, its own management, its own [fol. 332] advertising and soliciting departments, and its operating personnel?

A. Yes, sir.

Q. Do you know, for instance, how much money the Eastern Air Lines has spent in the last twelve months, to solicit airplane travel over its planes in and out of the Raleigh-Durham airport?

A. No, sir, I do not.

Q. Do you know how much money the United Air Lines has spent, or Capital, for the last twelve months for that same purpose?

A. No, sir.

Q. Or any of these other airplane companies?

A. No, sir.

Q. As a matter of fact, they have spent quite considerable money for advertising, have they not?

Mr. Eisenhart: I object, Mr. Examiner. The witness has testified he didn't know.

Mr. Jones: I asked him how much. He said he didn't know how much.

Exam. Gibbons: The witness may answer, if he has an opinion. The objection is overruled.

By Mr. Jones:

Q. They have spent considerable money for advertising purposes, have they not?

A. I do know that they have advertised some of their airlines more than others.

[fol. 333] Q. And all of them do right much advertising, do they not?

A. There is one exception. One of the airlines in the past has not done very much advertising.

Q. But the others you say have?

A. The other two have, yes, sir.

Q. Do you know of any advertising that the Southern Railway Company has done in the last twelve months to solicit and attract anybody to ride its passenger train between Raleigh and Durham and Greensboro?

A. I cannot recall any specific advertising.

Q. Do you read the Durham papers?

A. When I have time.

Q. Do you recall seeing any advertisements in the Durham paper or in the Raleigh paper within the last twelve

months! Soliciting any passenger service for the Southern Railway!

A. I can't recall any.

Q. Do you look at television any?

A. Yes, sir.

Q. Have you seen any programs that have been put on or sponsored by this Southern Railway Company, to attract anybody to ride its passenger trains?

A. No, sir.

Q. I'll ask the same question with reference to radio—if you have heard any radio program sponsored by the [fol. 334] Southern Railway Company; which is designed to solicit or encourage anybody to ride its trains as a passenger?

A. No, sir.

Q. I believe the Raleigh-Durham Airport, of which you are Assistant Manager, has a very up to date restaurant, has it not?

A. We think so, yes, sir.

Q. The building itself, that is the airport building itself, is a relatively new building and is clean and comfortable, commodious for the traveling public, is it not?

A. Yes.

Q. The Raleigh-Durham Airport Authority also maintains large and adequate areas for the parking of automobiles next to its building or across the street from its building on its grounds, does it not?

A. Yes, sir.

Q. For the accommodation of people who come to the airport by automobile?

A. Yes, sir.

Q. Now, Mr. Watson, I believe the airlines had a strike sometime ago, last year, or in the Fall—Eastern and some of the others?

A. Yes, they have been on strike.

Q. I mean in the last couple of years?

A. Yes.

[fol. 335] Q. Didn't they have a right serious strike?

A. There was one approximately two years ago, I think.

Q. They refer to it as a "wildcat strike"; the fact is that it tied up the planes, didn't it?

A. Yes, sir.

Q. The "wildcat" one that I mentioned, that occurred within the last year, did it not?

A. There was a brief period of strike.

Q. How long were the planes grounded by virtue of that, at the Raleigh-Durham Airport?

A. I don't recall. It was several days.

Q. That was the most recent strike?

A. Yes, sir.

Q. The one before that, that I referred to at first, happened about two years ago, a year and a half ago?

A. Yes, sir.

Q. That was a right extended period of time when the planes were grounded, was it not?

A. Yes, sir—

Q. And it lasted about six weeks, didn't it, on that occasion?

A. The total time, possible of the two airlines, extended that long.

Q. During those periods to which you have referred, people of course, who might have been passengers on the [fol. 336] airlines had to use the service of the passenger trains, did they not, and other ways of travel?

A. I would think they would have.

Q. Do you know how many of them used the services of the Southern Railway Company during those periods?

A. No, sir.

Q. You may examine him.

By Mr. Bryant:

Q. One question, please.

If these two passenger trains, 13 and 16, were eliminated, is it not a fact, Mr. Watson, that the entire Durham area and the entire Chapel Hill area would be entirely without any rail passenger service of any kind?

A. I do not know, sir.

Q. Do you know of any?

A. No, sir. I wouldn't say that I am 100% familiar with the rail transportation.

Q. But you don't know of any?

A. No, sir.

Mr. Burns: I notice that you said you had 134,836 passengers during 1960, how many take offs did you have at the airport during the same period?

A. Well, the total number of all aircraft operations was 104,221.

Q. How many commercial?

A. 24,821.

[fol. 337] Q. In other words, you had approximately five people for every take-off, is that right? Every commercial take-off!

A. That appears to be approximately correct.

Q. Do you know whether the Southern Railway is doing better than that with its train out of Durham every day?

A. No, sir. I do not know.

Q. That's all the questions I have.

Exam. Gibbons: Any further questions?

(No response.)

EXAMINATION

Exam. Gibbons: Mr. Watson, you mentioned a number of flights from the Raleigh-Durham airport to the various cities mentioned: Is there an equal number of flights back from those cities, back to the Raleigh-Durham airport?

A. Yes, sir.

Q. Daily?

A. Yes, sir.

Q. There isn't any service at all, that is air service, between Greensboro and Goldsboro?

A. I don't believe so, not Goldsboro, sir.

Q. In other words, the only towns, cities that have air service are served by the trains, are Durham and Raleigh, is that correct. Or rather this airport is between Durham and Raleigh?

A. Yes, sir.

Q. It doesn't directly serve any of these cities except [fol. 338] Durham and Raleigh?

A. That's true; however Chapel Hill is within that area, too.

- Q. How far is Chapel Hill from the airport?
A. Approximately seventeen miles.
Q. How far is the airport from Durham?
A. Twelve.
Q. How far from Raleigh?
A. Approximately twelve miles.
Q. It is almost equal distance from Chapel Hill, Raleigh and Durham?
A. Almost.

Exam. Gibbons: Any further questions?

Mr. Eisenhart: I have one question to clear up a matter on cross.

Redirect examination.

By Mr. Eisenhart:

Q. Mr. Watson, I believe Mr. Burns asked you how many take offs there from Raleigh-Durham and your answer was that there are 24,000 and some operations. Did you mean by operations' take offs, or did that include take offs and landings?

A. That's take offs and landings. An operation is a landing or take off.

Q. You meant take offs and landings?

A. Yes, sir.

Exam. Gibbons: Any further questions?

[fol. 239] (No response.)

Exam. Gibbons: If not, the witness may be excused. And I would like to, at this point, announce and have the record show that in accordance with an earlier off-the-record discussion and in accordance with an agreement with all parties, because of illness in the family of the Assistant Attorney General, we will at this point adjourn until 9:00 A.M. tomorrow morning, Wednesday morning.

(Whereupon, the hearing was adjourned at 12:00 Noon on Tuesday, July 11, 1961.)